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# **West Europe Report**

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## WEST EUROPE REPORT

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## STATE REFORM TO GO INTO EFFECT 1 OCTOBER

## Changes For the Citizens

Brussels LE SOIR in French 19 Aug 80 p 2

[Article by J. v. S.]

[Text] Approved quickly in the hurly-burly of the end of [legislative] session, the state reform will go into effect on 1 October. By driving its members, and M.P.'s, mercilessly, and breaking somewhat with the work habits of the Chamber and the Senate, the Martens-Spitael's government has succeeded where all its predecessors have failed: taking the first steps toward a profound recasting of our institutions, and implementing--partially, to be sure--the regionalization promised to the country 10 years ago.

Observers, both Belgian and foreign, have not failed to remark how differently the political world and the general public have reacted.

In the hemicycles of the Palace of the Nation, the actors in an often passionate debate have gone to the limits of their physical endurance; weakness and fatigue explain most of the absences at the moment of the final vote. One also recalls the ardor with which Prime Minister Wilfried Martens, dead tired but basking in an ocean of felicity, insisted on the importance of the reform undertaken.

By contrast, the public at large has shown the most complete indifference to what the legislators have said and done. Mistakenly, too, no doubt, if as Beaumarchais says "politics is the art of creating facts." It would be too simple to explain this deep indifference in terms of the [August] vacation period.

The observer gets rather the feeling that the citizen grew tired of hearing promises ceaselessly for 10 years about state reform and regionalization. Nearly every year has seen the birth of a new plan, which in being swallowed up in the morass of parliamentary procedure has, most often, provoked a government crisis.

It is clear too that each difficulty has given rise to new negotiations and the preparation of new texts, each more complicated and forbidding than the ones before. And the use of abstruse jargon has ended by disgusting the most curious non-specialist. But the fact remains that the reform passed before the vacation is quite a bit more than a mere diversion for idle lawmakers.

It is for this reason that we propose to show, in several articles, some of the more concrete aspects of the modifications which have been introduced into our institutional framework. Indeed, doubtless many are those who have asked the question: "What is this going to change?"

To this question, it is obviously tempting to respond: "Nothing!" In fact, it is still a little too early to appraise the full scope of the "Martens-Moureaux reform."

### The Brussels Question

First of all, the orders for implementation are not yet known. Then, the Brussels question is still unresolved; a new series of negotiations should begin when the legislature returns in the fall to find a solution before the communal elections of October 1982. Provided with an executive (composed of Mrs Cecile Goor and Mr Guy Cudell and Mr Gust De Winter) but not with an assembly, the capital will continue to live in limbo.

There remain Flanders and Walloonie, for whom the pieces of the puzzle will require time to fall into place. Thus, so long as they continue--for a certain time yet--to take part in the national government, the executive authorities of the communities and regions will not be able to fully take up their political responsibility to the assemblies. Throughout the duration of this probative period, they will also be unable to command an administration endowed with an autonomous status. Similarly, it will certainly not be before 1983 that the final system for financing the regions and communities will be in operation.

### Increasing the Power of the Citizen

All these precautions being taken, it remains nevertheless that for all its imperfections the reform proposed to us is automatically going to attain at least one of its primary goals. Namely, to increase in a more or less major way, the power of the citizen. This is what we propose to show through several concrete examples.

The first shows that a series of decisions taken up to now by the national government will henceforth be within the jurisdiction of new organs [of government]. Let's talk about highway construction. We well know how, in the recent past, the line of several of them has been a subject of rousing controversy. Even today the polemics are not over regarding the future path of the highway between Brussels and Tournai. Should A-8 pass Grammont and Lessines or Enghien and Ath? Up to now, the decisions devolved upon the ministry--the national ministry--of public works. Henceforth, things will be a little more complicated.

In effect, the law passed by Parliament gives the regions many responsibilities in regard to territorial administration, including [land] condemnations and the mapping out of [plans for] establishment of big public infrastructure and public transport.

In any event, in the example we are studying, the national government obviously has final authority over the project being undertaken. It is also the national government that decides to build a particular highway or canal. But authorization to build must be delivered by the regional authority. This innovation is far from being negligible.

In fact, one can reasonably predict that future regional authorities will be clearly more receptive to the aspirations of the populations concerned--their own populations--than a national administration, however worthy it may be. Thus, without going so far as to balkanize decisionmaking authority, the new regional and community powers will be more inclined to take into account certain special circumstances. If we return to our example, and fill in the lines a little, the highway proposed by the department of public works will be built, but its track will be determined by the regional authorities.

#### Possible Conflicts

In such conditions, conflicts can obviously arise between the central government and a region. Arbitration then devolves upon a coordination committee which, at first, will include, in deference to linguistic parity, the prime minister, the presidents and executive officials of the regions and the communities, and an undetermined number of people appointed by royal decree [arrived at] through deliberation in the council of ministers.

The authority of the regions with respect to permission to build is obviously not limited to construction of highways and canals. The example has thus been cited of a possible missile base.

The region can oppose such an installation on its territory by not issuing the required construction permit. But its decision must be based on objective standards. There can be no question of the region taking a stand against the principle itself of establishment of a missile base once the decision has been made by the national government. But the region can turn down the proposed installation, for example, when the site chosen is part of a green belt.

Here again, it is evident that the regional authorities should logically be more sensitive to the opinion of the people concerned than the central administration.

## Regionalization Problems

Brussels LE SOIR in French 20 Aug 80 p 2

[Article by J. v. S.]

[Text] It's a good bet that on 1 October, when the state reform recently passed by the chambers goes into effect, Mr John Q. Public will not feel his daily life has been turned upside down. And indeed how could it be otherwise since as we have seen in our previous issues the new institutional framework will only be put in place gradually?

Nevertheless, it is obvious that changes are going to come in decisionmaking. Or, more precisely, the evolution begun several years ago is going to accelerate. In reality, the members of the executive authorities of the regions and the communities will quite naturally be more sensitive to the aspirations and desires of the citizens concerned, with a portfolio which members of the national government did not have.

Thus, we can take a concrete example in the area of hunting, which is a regionalized matter. Henceforth, the central state is to be responsible only for the enforcement, fabrication, sale, and possession of arms.

Which means that it is entirely up to the regional executive authority to determine the opening and closing dates for the hunting season for various game species. Indeed, without going into the altogether unique character of Brussels, it is obvious that some species may be abundant in Walloon, while it deserves protection in Flanders.

Initially, the executive of the Walloon region decided to move up significantly the opening date for the woodcock season. Then, it reviewed its position and decided on a much later date. Why? Quite simply because reports from experts stressed the fact that many young birds, born in the spring, had not survived. At that point, to avoid a hetacombe [translation unknown] among lateborn woodcocks, the regional executive in Walloon pushed back the opening date of the season. We note in passing that the two dates successively chosen for the opening of the woodcock season were different from those decided by the members of the Flemish regional executive.

The upcoming advent of the councils--of the regions or the communities--is obviously going to inspire the executives to take still more into account than before the peculiarities of local circumstances.



## Industrialization and Fishing

And what happened in regard to the woodcock season can be repeated in other neighboring sectors. In fact, the regions also have the authority to make decisions over what can appropriately be called riverine fishing, that is, anything but maritime fishing. The regions have been entrusted with industrialization and fish-culture.

And it is again the regions that have authority over forests, including management of Crown forests. In fact, the management of the forest patrimony has been regionalized without, for all that, a transfer of ownership.

Special problems can obviously arise when a forest is situated over more than one region. Such is evidently the case for the forest of Soignes which lies in the Brussels region (Auderghem, Uccle, Watermael-Boitsfort, and Woluwe-St.-Pierre), the Flemish region (Hoeilaart, Overijse, Rhode-St.-Genese, Tervuren, and Wezembeek-Oppem), and Walloon (La Hulpe and Waterloo) all at the same time.

It is explicitly provided that the executives concerned must consult and coordinate before taking any decisions concerning the forest of Soignes.

## Subsidies to Communes

Brussels LE SOIR in French 21 Aug 80 p 2

[Article by J. v. S.]

[Text] Increase the power of the citizen! Such was the goal pursued by the promoters of the state reform. Will the statutes passed in the first days of August attain this objective? It is obviously still too soon to give a definitive response to this question. Nevertheless, it already appears that political leaders are being brought--and in the future will be even more so--to modify their decisions in accordance with the sensitivities and aspirations of local communities.

To try to illustrate our concept, we have described two concrete situations: condemnations for construction of a highway or missile storage facility, and the opening and closing dates of hunting seasons for the different species of game. There are other areas where regionalization will affect citizens in a real, but indirect, way.

## The Intercommunals

Let us take the example of the trusteeship over subordinate authorities. It will be the job of the regional organs to establish the modalities of operation and to regulate the intercommunal [facilities] set up for the public's benefit. Which is not negligible, if one thinks of the importance of the



intercommunals in certain parts of the country, especially with respect to economic development. In the course of the parliamentary debates, the question was posed what would be the fate and status of the intercommunals whose jurisdiction is territorial. From the minister's answers, it turns out that no decree--that is, no "regional law"--will be able to force a commune to affiliate with any intercommunal whatsoever. The communal authorities will thus retain their discretion in the matter.

#### Ottignies

On the other hand, the regions determine the distribution of communal and regional funds in the [budgetary] envelope reserved for them. Let us explain ourselves. The overall amount of the two funds is established on a national base. It is then up to the executive authorities in each region to establish their own criteria for redistribution.

With respect to the Walloon communes, this freedom of decision has already had a practical application. In fact, it was realized that strictly following the traditional criteria ran the risk of creating serious problems in the Brabantine commune of Ottignies. This latter takes in, by reason of the presence of the Catholic university at Louvain, a large population of non-residents exempt from local taxes. Now the communal authorities obviously must take into account the presence of this transient population, especially in all matters relating to security of persons and property.

The special case of Ottignies did not escape the attention of the members of the Walloon regional executive, who anticipated a deviation from the general criteria.

#### Subsidies to the Provinces

Regarding the provincial funds, a similar system is foreseen, except for the Brabant. In fact, so long as it is not split up, this province will get its share of the fund direct from the national appropriation. We also mention in passing that the transfer of provincial administrations to the regions should automatically entail the transfer of the budgets accruing to them.

Once again, it is important to observe that the state reform will not be operational, at least in its final version, for 2 more years. Which in no way prevents the new institutional system from beginning, little by little, to make its effects felt. The decisionmaking mechanisms are beginning to get into shape.

#### Regional Enforcement

An error--which did not fail to upset certain of our readers--slipped into our preceding article on various concrete aspects of the [illegible] form of the state.

Let us dispel the worries right away: as at the time of the preparatory regionalization, the regional authorities retain control not only of the season, but also for enforcement. The exceptions for the central government cover only fabrication, sale, and possession of hunting weapons.

## Employment Policy

Brussels LE SOIR in French 22 Aug 80 p 2

[Article by J. v. S.]

[Text] In the course of our wanderings in the domain of state reform, we have shown, through several examples, that the recasting of our institutional framework gradually changes the paths and mechanisms of decisionmaking. For the promoters of the new Belgian state, the proclaimed goal was to increase the power of the citizen. In several cases this objective can be attained. In others, the solutions envisaged seem outrageously complex. Certainly, it has not always been easy to reconcile two barely compatible directions, such as increasing the community powers while retaining sufficient scope of authority for the regions. So, with respect to job policy, it is to be feared that the hybrid solutions which have been adopted may cause problems. At least at first.

To draw the broad outline, we may say that the overall employment policy remains within the scope of the national authority, that worker placement belongs to the regional authorities, and that professional training and "recycling" are the responsibility of the communities. Such an atomization of the activities presently in the National Employment Office takes a large risk of leading to conflicts and serious misunderstandings. Let us try to disentangle the threads.

Worker placement and job placement for the unemployed, entrusted to the regions, includes, among other things: wage intervention for workers difficult to place, provincial committees for employment promotion, organizing and operating sub-regional employment committees, setting up of temporary work projects and the placement of unemployed persons into work.

With regard to the employment of foreign workers, things are a bit more complicated, since the authority of the regions is limited to the execution of overall decisions taken at the national level.

The portion given to the communities is not negligible. It includes first of all the organizing and setting up of training centers operating in the framework of the law on credits d'heures [translation unknown].

It also includes the important business of reconversion and professional recycling, whether organized by the public services or by enterprises, and in all sectors: industry, the services, agriculture, commerce, small- and medium-sized businesses, etc.

Training, reconversion, and vocational recycling for the handicapped also fall within the authority of the communities.

Nevertheless, the communities are not responsible for the rules regarding financial assistance from the public authorities in the expenses occasioned by vocational training. Here, the community must defer to the region.

As a general rule, all training, pedagogic and didactic, other than [formal] education is confided to the communities. This obviously includes pre-school training in the pregardiennants [translation unknown] both public and private.

Here and now, it is anticipated there will be a modification of the law creating the National Childrens Charities. The organization will not be able to escape the linguistic schism.

Reflecting the complexity of the institutional problems in Belgium, the statutes passed by Parliament before vacations are not exempt from weaknesses. Only practical experience will show whether the edifice built by the Martens-Spitaels government is viable.

#### Health Services

Brussels LE SOIR in French 23 Aug 80 p 2

[Article by J. v. S.]

[Text] Health services are under the jurisdiction of the communities, but the state's role remains decisive. Is this a reflection of the complexity of the Belgian political and institutional problems? However that may be, the statutes composing the partial reform of the state, and approved in the August debates by the Chamber and the Senate, are not always dazzling in their clarity. On some points, the solutions reached are simple. On others, there is a good chance of finding oneself in a free-for-all when it comes to implementation. In our previous issues, we have tried to throw a little light on what is anticipated in the important sector of employment and placement of jobless workers, a sector in which the diverse activities will be redistributed among the regions, the communities, and the central government.

Nothing is really simple either in health policy, which is considered one of the items under "personalizable" matters. The latter are in the jurisdiction of the communities. But the national state has reserved for itself a not insignificant role in the making of decisions by creating a large number of exceptions.

Thus, the communities determine the priorities in construction of hospitals and psychiatric establishments. They grant authorizations and subsidies for construction, modification, and equipping of buildings, as well as for heavy medical technology. They organize inspection, set the criteria for approval and closing, and monitor internal organization and accounts.

By contrast, the national jurisdiction evidently extends to all the base legislation dealing with standards, technical equipment, personnel, the financing of infrastructure, and heavy medical technology.

The central state, obviously, remains solely responsible for health and disability insurance. It is the state, too, which is solely authorized to designate university hospitals and university hospital services, and to establish basic curriculum regulations.

Regarding care dispensed outside the hospital milieu, the communities will concern themselves principally with home care, rest homes for the aged, and mental health services. By contrast, the government keeps all base legislation, including obligatory insurance against illness and disability.

The third area in the health services sector includes activities and services in preventive medicine.

The communities get health information and education, and the organizing of preventive medicine, medical school inspection, sports medicine regulation, and the health protection of the population; on this latter point, the statutes insist quite specifically on the [importance of] prevention of tuberculosis and cancer and on health protection for mother and infant. The regulation of work medicine is also entrusted to the communities, with the exception of the protection of people from the risks of ionizing radiations.

Finally, it makes sense that the central state should remain solely responsible for the regulation of the medical and para-medical societies and for the control of pharmaceuticals. The same goes for all regulation relative to food commodities, including information, prevention, and prohibitive measures.

#### Fiscal Problems

Brussels LE SOIR in French 24/25 Aug 80 p 1

[Article by J. v. S.]

[Text] Is the state reform as it was approved by the chambers before the Parliamentary recess going to respond to the desire of its promoters to increase the power of the citizen, or, on the contrary, is it going to introduce disorder in the machinery of decisionmaking and administration? Both at once, one would be tempted to respond at first blush. It is true that it is manifestly much too early to determine what will be the practical effects of a reform which doesn't even enter into force until 1 October, and whose elements will only gradually be put into place. Meanwhile, John Q. Public is not forgetting that he is the taxpayer, and he is wondering what all this will eventually cost.



To this question, too, it seems an answer would be premature.

The final modalities of financing in the regions and communities will not be operational before 1982, at the earliest. Rates and methods of calculation are not yet set. And future negotiations will obviously be heavily influenced by the economic and financial situation of the country and its component parts. Also, the governmental statute approved by the Parliament limited itself to contemplating five sources of financing.

The present system of annual allotments from the state budget is maintained, but the machinery of progression [sic] is fixed once for all. The appropriations for the 1980s serve as a reference point. This being 15 billion [Belgian francs] for current operating expenses and 24 billion in capital expenses, for matters entrusted to the regions, 40 billion in current expenses and 7 billion in capital expenses for matters entrusted to the communities. These totals will be adapted, year by year, in proportion with the change in the consumer price index.

The distribution of regional credits will continue to be effectuated on the basis of the traditional distribution formula: one-third based on land surface area, one-third based on population, and one-third based on tax yield per physical person. On appropriations allotted to the communities, distribution is established on a set basis: 65 percent for the Dutch-speakers and 45 percent [sic] for the French-speakers.

It is understood that the communities and regions must themselves set up their own finance plans just as they will establish their budget autonomously.

But the allotments only constitute one element of the financial resources which these new institutions will have at their disposal.

They will be able to count on the non-tax receipts inherent in the exercise of their respective responsibilities. Such will be the case for receipts from forestry exploitation, the issuance of hunting and fishing permits, etc.

Third mode of financing: the revenue from one or several imposts can be refunded wholly or partially to the regions and the communities. These imposts are radio-television licenses, road taxes, taxes on gambling and pari-mutuel betting, the tax on automatic game apparatuses, real property deductions, the tax on opening stores selling fermented beverages, the laws of registration of landed wealth and inheritance laws. Beyond this, a part of the revenue of the impost on physical persons [sic] can eventually also be refunded.

Fourth mode of finance: taxation proper. At the first, the regions and the communities will be able to collect additional centimes beyond the imposts mentioned above by means of refund formulas. This mechanism will not be available to Brussels, the capital, until there has been a definitive resolution [of its status].

In a later phase, these same imposts can be entirely transferred to the regions or the communities, which will then be able, quite freely, to establish the rate imposed. This could then be altered according to the region.



Finally, starting 1 January 1982, provincial taxation will be eliminated.

Fifth and last mode of finance: the new institutions will be able to contract loans.

### Federalism Discussed

Brussels LE SOIR in French 26 Aug 80 p 2

[Article by J. v. S.]

[Text] For a week now, through more or less concrete examples, we have tried to bring out some of the principal aspects of this state reform which has mobilized so much energy and which will go into effect on 1 October. It is true that the new edifice is complicated and incomplete. Complicated because it was necessary to reconcile the aspirations of the Dutch-speakers--based on a socio-cultural approach to institutional problems--and those of the French-speakers--based on a socio-economic approach to the same problems. Incomplete because it leaves the Brussels region and its million inhabitants between parentheses.

In fact, the reform voted at the beginning of August constitutes just as much a starting point, in reality, as it does the end of a long evolution toward a new distribution of powers. In effect, these diverse elements will only be gradually put in place, a little like the pieces of a puzzle. Thus, the councils (Flemish and French communities, Walloon region) will not come into existence until 1 October 1981. And they will only be directly elected upon the occasion of the next renewal [sic] of the legislative chambers. For a certain time yet, the executive authorities of the regions and the communities will continue to be a part of the central government.

The executive authorities will have at their disposal an administration proper, and 8,300 functionaries belonging to the national administration will be transferred to the regional and community ministries. But this operation, huge in scope, must be preceded by a restructuring of the para-statal institutions. Similarly, we have seen, it will not be until 1982 that the system of financing the new governing entities will be operating in its final version.

If one considers the complexity and, sometimes, the imperfection of the statutes, it appears clearly that the period of "breaking-in" will not be useless. And conflicts cannot be excluded, if one considers that, on several points, the central state has reserved for itself most of the power and the resources, leaving the regions and the communities only the implementation.

The new entities, it is true, will be able to act in a much more autonomous way in other domains. Which would therefore permit some responsiveness to the hopes of partisans of regionalization: to increase the power of the citizen.

The question has been posed whether the state reform, such as it was elaborated by the Martens-Spitael government and approved by the Parliament, corresponds to a federal-type structure.

Indeed, this reform presents certain characteristics of the federal state. The communities and the regions will be endowed with proper executive and legislative powers (councils elected directly and "governments" politically responsible to the assemblies). The executives play the same role at the level of the new entities as the national executive authority: on the one hand, as the second branch of the legislative power, they are responsible for ratifying and publishing enactments, and on the other hand, as an executive power, they are responsible for these enactments and for the day-to-day policy of the new entities. Moreover, the communities and regions will dispose of taxation powers. And finally, it is planned to create within the next 6 months a court of arbitration to be responsible for resolving conflicts of jurisdiction between the state, the communities, and the regions.

In other matters, it is necessary to understand clearly that the reform in certain respects does not correspond to a federal type structure. Residual powers, with the exception of education, rest with the national authority, not with the "federated" states. Prime Minister Wilfried Martens explained this: "In a country which finds itself subject to the pressure of diverse centrifugal forces, the powers and jurisdictions essential to the functioning of the state must be preserved, in order to guarantee the unity of the country."

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## GOVERNMENT SIGNS COMPREHENSIVE BUDGETARY LAW

Zurich NEUE ZUERICHER ZEITUNG in German 9 Aug 80 pp 9-10

[Article by pmr: "The Belgian State as a Banker"]

[Text] Brussels, 7 Aug--Simultaneous with the ratification of the Belgian state reform, the budgetary law for the current year has also finally passed in Parliament. Along with the actual state budget, which foresees a deficit of 82 billion Belgian francs with total expenditures set at 1,100 billion Belgian francs (in the meantime, however, the deficit has risen to 110 billion Belgian francs due to a reduction in estimated tax income), the law contains a whole series of structural changes. At the request of the liberals, who took over the government in May, a few income tax reductions as well as the elimination of the value added tax of 5 percent on investments were ratified. In order to make up for the decrease in tax income resulting thereby, the indirect taxation on automobiles (by 34 percent), gasoline, alcohol, cigars and margarine was increased. Additional increases in consumer taxes for so-called luxury goods such as jewelry, furs and toiletry articles are supposed to ensue in the fall. At the urging of the Socialists, not only was a 4-percent special tax on the increase in company taxes which exceed 5 percent of the initial capital ratified but also the long contemplated project of a state bank was anchored in law.

## Assuming the Roll

The roll of this new bank should take over where the state Allgemeine Spar- und Pensionskassene [General Savings and Pension Bank] left off. The savings bank is the second largest credit institute in the country after the Societe Generale de Banque, having a balance sum of 696 billion Belgian francs last year, over 1,000 branches and 7,650 employees. Its activities, however, have been mainly limited up to now to savings accounts of private households, which amounted to 340 billion Belgian francs in 1979 and were largely converted into housing start loans (290 billion). Furthermore, public supply operations, which obtained 60 billion Belgian francs in loans last year, as well as the public hand itself with 123 billion Belgian francs, are among the faithful customers of the bank. The savings bank also lent 102 billion Belgian francs to private business, although the legal limitations previously only permitted it an incomplete offer in this terrain. According to the new law, however,

it will be enabled to perform all banking activities, primarily also foreign business, which has traditionally been very important for Belgium.

#### Little Enthusiasm Among the Competitors

The new competition is being greeted with little enthusiasm by the established private banks, not least of all because Belgium is already considered to be well furnished with credit institutions and the public institutes already have almost a half of the savings accounts and are in control of the loan transactions. The private banks also fear competitive distortions caused by the government competition for four reasons. The savings bank enjoys a government guarantee for all its previous activities. Because they do not have to dole out any dividends to private shareholders, they do not have to worry as much about the lucrativeness of their business as do the private banks. Of the balance sheet totals, about 100 billion Belgian francs result from lucrative activities beyond the banking sector, for example with life insurance, which is connected to mortgages. Up to now, the government bank was also not subject to the same solvency and control regulations as were the private institutions. All these differences, in the opinion of the Belgian banking association, can create cost advantages for the government bank and enable it to pursue an aggressive policy.

The now ratified law has only partially alleviated the objections of the commercial banks. It was indeed determined that the government guarantee should not apply to the new banking activities and for this reason separate bank and bookkeeping operations were established. The complete elimination of the government guarantee as demanded by the private competitors and the establishment of a special legal unit for normal banking transactions were, however, not written into the law. The government bank will be placed under the control of the Commission of Banks, but its solvency and lucrativeness regulations will be determined on a special basis by the finance minister.

#### Wavering Interest Rate Cartel

Even with completely equivalent conditions for the government bank, the Belgian banks would still not be impervious to a new attack on their interest rate cartel, which has already started to waver. In view of the high interest rate policy of the National Bank in the past few months, even the small Belgian savers noted that considerably higher returns could be obtained from neighboring countries rather than from the domestic banks, which customarily adapt their loan interest rates very rapidly but are very slow to follow suit when it comes to deposit interest rates. Because competition among the Belgian banks primarily takes place on a very highly developed service offering level, a portion of the high interest rate scope is eaten away by their operating costs; but a large sum is still left over as the award by "The Banker" to the Kreditbank for the most lucrative bank of the year in 1978 indicates.

But there is much to be said for the fact that the new government competition will prove to be less dangerous than to the branch colleagues on this side of the border, which are very attractive to Belgian investors because they do not

have to pay the source tax of 20 percent as is required of them in Belgium. In view of the permanent money squeeze in Brussels finances, the new government bank must brace itself for an excessive and, possibly even an abusive, use by its own owners of capital which should strongly dampen their tendency to be the bully on the block of the Belgian interest rate cartel. Similarly, the government industrial loan society experienced liquidity problems this spring because they pumped so much into the ailing steel branch under the gentle pressure of the government and therefore did not have enough funds to cater to their normal customers such as IBM or Cevaert.

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## FLEMISH SOCIALISTS OPPOSE GOVERNMENT POLICIES

Geneva JOURNAL DE GENEVE in French 21 Aug 80 p 1

[Article by Colette Braeckman]

[Text] Although the Belgian political scene, as the [legislative] session drew to an end, was constantly dominated by the debate on regionalization and by the budget proposal, it must be recognized that in the course of the months just past one party has sounded a different note, opened up new subjects in tones not usually heard in Belgium: the Flemish Socialist Party.

It was a long time since the Belgians, absorbed in their laborious compromises, experts in the art of the possible, partisans of fragile consensus, has seen a political group putting at the heart of discussions a few great principles, such as respect for human rights, the nuclear danger, the threats computerization presents to the privacy of citizens, or aid to the Third World. Certainly, such themes have always inspired numerous conferences and publications, but from there to making them political issues lay a gulf which "realists" were careful not to cross. Now we have the Flemish Socialist Party, since its separation from its Francophone alter ego, singing a different tune. Its president, Karel van Miert, the 40-year-old adolescent, is very influenced by Dutch socialism: not very radical and pragmatic on internal matters, he professes and wants to apply several great principles in matters of foreign policy. And above all, as an heir to a certain idealism of the Sixties, he intends to apply these political principles without too much compromising. Which has provoked, in the course of the past year, several fine rows, and finally led the Flemish socialists to "sink" the minister of foreign affairs, the Brussels socialist Henri Simonet, systematically attacked for his Zaire policy, his tolerance for arms sales to South American dictatorships, etc...

And Zaire?

Concerning Zaire, the Flemish socialists refuse to countenance decisionmaking dependent on the "post-colonial lobby," and they want a public debate on the nature of the present regime, on specific utilization of Belgian aid, and on

the economic and political relations between Zaire and the old metropolitan power. They would like, in fact, for Belgium to show the same intransigence toward Zaire as once was shown by Dutch socialists toward Indonesia: our neighbors to the north had suspended their assistance ties with this country, deeming that the corruption [there] made any assistance futile! It may not have really won the day, but the Flemish Socialist Party has posed its questions well, and advanced its ideas...

Other subjects have given it a pretext for intervention: it asks for a public and democratic debate on arms sales, which represent, as we well know, one of Belgium's main exports to the Third World. In the domestic arena, it has attacked fat pensions and accumulation of multiple pensions (especially by magistrates), tax fraud, which is poorly controlled in Belgium, police files, which catalog not only subjects who have had mix-ups with the law, but also categories of citizens considered suspicious a priori--homosexuals, drug addicts, certain unionists and activists of the extreme left. The party has also criticized the special privileges of doctors: it calls for contractual medicine, and has attacked the Order itself, on the Council of the Order, thus acting both as judges and as parties [to a disputed question]. This position has led to the adoption, in the Chamber, of a proposed bill prohibiting such multiple office-holding and strikes a harsh blow to the near omnipotence of the doctors' societies.

#### Economy: Prudence

However, in economic matters, the Flemish socialists show themselves remarkably moderate. They prefer, on the Dutch model, effective pragmatism to audacious but sometimes questionable structural reform.

Despite the criticism which have been levelled against them, the new tone of the PS has been translated into considerable electoral success, whereas its Francophone alter ego, which has not yet taken the first steps toward its reconversion, and which is still basking in old triumphs, continues to lose ground. It is true that the Flemish socialists--and this is another sign of dynamism and openness--have taken the risk of launching an independent leftist daily, DE MORGEN, which has a fraternal resemblance to the MATIN DE PARIS, albeit with less financial means. The editor in chief of this paper is a veteran of May '68 from Louvain, and is not even a member of the socialist party. But, with great freedom of tone, his daily takes positions on all the important subjects, and introduces a new voice in the Belgian press. While other newspapers in the socialist press are in bankruptcy and the daily LE PEUPLE had to shut down, DE MORGEN has pulled off its gamble and has found enough readers to be viable. Furthermore, even from the Francophone side, anyone who has unpublished news or "shocking" information is now in the habit of taking it to this new organ. The PS and DE MORGEN may still be relatively isolated phenomena on the Belgian scene, but there is no doubt that the success of their audacity, and the audience that their free-ranging style has won them, their willingness to tackle the real problems, will soon begin to be contagious. The hot debate on nuclear missiles, and the challenges to medical privileges prove that the other parties, in Flanders as well as Walloon, cannot long remain behind...

## PLANNING BUREAU PROJECTS GLOOMY ECONOMIC FUTURE

Brussels DE STANDAARD in Dutch 29 Jul 80 p 1

[Text] In general, over the next 5 years public finances will show a further "radical" worsening. In 1985, the net financing requirements of the state will represent 10 percent of the gross national product [GNP] unless "drastic" measures are undertaken. So the Planning Bureau writes in a confidential 74-page document entitled "The Outlines of the 1981-1985 National Plan," which was turned over to the ministers. It warns that "even the strict application of zero growth (of government expenditures) up to 1985 will not in itself solve the problem of public finances."

A (small) portion of the contents of that document was made public and discussed by Desmarets, the minister of planning and of scientific policy, and Maldaque, the secretary of state for planning, on 17 July [1980]. They sketched the macroeconomic strategy that must be followed, according to the Planning Bureau, to reverse the "so badly deteriorated situation." Of particular importance in the unpublished portion are the chapters on government finances and on the industrial policy to be followed.

The Planning Bureau writes that the kind of financial problem varies from one type of government to another. The central government is experiencing a very appreciable deficit which has to do with the stagnation of economic activity. The increase in unemployment leads to that sector of social security having to be financed by the central government and the rise in the interest rates increases the burden of the national debt.

On the other hand, the slackening of economic growth inhibits the increase in fiscal and parafiscal revenues. These combined phenomena assume a structural character as a result of the dynamics of piling up deficits and because of the burden of the national debt becoming increasingly heavier. Furthermore, certain important sectors of social security (pensions, health insurance) are becoming fixed in a permanent deficit, which can be attributed to legislation which does not provide for receipts to increase just as fast as the spontaneous expansion of expenditures.

## Transfers

The Planning Bureau notes that over the past two decades it has primarily been transfers (redistribution of income) that have increased. They now form the biggest package in government spending. Between 1960 and 1978, their share of the GNP rose from 12.5 percent to 22.4 percent. This is primarily a matter of transfers to families (particularly within the framework of social security): 11.2 percent of the GNP in 1960, 20.4 percent in 1978. Transfers to industry (subsidies) in 1960 represented 1.2 percent of the GNP in 1960 and 1.5 percent of the GNP in 1978.

Compared with that, the cost of government showed only a moderate increase, from 12.6 percent of the GNP in 1960 to 17.9 percent in 1978. Interest on the national debt increased from 2.9 percent of the GNP in 1960 to 4.6 percent of the GNP in 1978.

According to the Planning Bureau, a closer look at the expenditures of the central government shows that three types of expenditures have acted in sequence as the motivating factors in driving up expenditures. From 1955 to 1963 it was expenditures for education and culture (increase in the school population, the school pact and the law on university education); from 1963 to 1971 it was transportation expenditures, and since 1974 it has been social and health benefits (state financing of deficits run up in social security as a result of the crisis, and particularly the burden of unemployment benefits).

## Orthodoxy

According to the Planning Bureau, only the stabilization of government spending's share of the GNP (the so-called zero-growth policy), which has been adopted as the standard of budgetary orthodoxy since 1978, can bring the growth of spending under control and avoid the creation of an "explosive situation" in the near future. This standard must continue to be applied during the whole 1981-1985 period.

But that will not be enough. If the negative indirect effects of that are taken into account, the deflationary effect of that standard will lower the state's revenues more than proportionately and the attendant unemployment will lead to further expenditures.

Furthermore, according to the Planning Bureau, the difficulties that the application of that standard will entail must not be ignored. True, certain categories of expenditures will have to begin to increase less rapidly spontaneously, in part because of demographic evolution. But employment and the struggle against it will continue to weigh heavily on the budget. Furthermore, the restructuring of corporations and branches of industry on the decline, diversification of activities and the new energy policies will require additional expenditures. "Zero growth," then, will imply painful decisions.



## SPD CRITICISM OF SCHMIDT DECISION ON GDR TALKS

Hamburg DER SPIEGEL in German 1 Sep 80 pp 19-21

[Article: "'What Can Be Done Must Be Done in Addition'"]

[Text] Chancellor Helmut Schmidt's decision to postpone his meeting with the East German head of state and party, Erich Honecker, was hasty in the opinion of critics among the SPD deputies in the Bundestag. Primarily, advisers to the chancellor are unsure about the leader of the SPD in the Bundestag, Herbert Wehner, who has been remarkably subdued so far.

Without any success, Eastern experts among the SPD deputies in the Bundestag the weekend before last tried to induce one of their VIP's to come up with a commentary for the press on the canceled GDR trip by the federal chancellor.

Their deputy chairman, Horst Ehmke, who as late as the day before the decision, despite the unrest in Poland had defended the expedition to the Werbellinsee, refused, saying that he had not been informed and that he was getting his knowledge about the chancellor's motives from the news media.

Former Minister Marie Schlei, in charge of the party's parliamentary foreign policy working group, also turned the petitioners away, saying: "If one does not participate in the information process, one cannot supply an interpretation from one's own position. Everything else is headline hunting."

A not unimportant reason why neither Mrs Schlei nor the otherwise by no means reticent Ehmke did not dare leave their cover was their boss: Wehner had not yet indicated the direction. Not until Monday night last week [25 August]--almost without anyone noticing it--did the politician who cares more about inter-German relations than anyone else acknowledge, at a Hamburg SPD women's event, that Chancellor Helmut Schmidt had canceled the meeting out of "circumspection." With unusual discretion and not at all as up-to-date news, the SPD in the Bundestag issued the text in Bonn only 4 days later.

Thus it was left to backbencher Hans Buechler from Hof in Bavaria to comment on probably the major political event of the final phase of the Eighth Bundestag.



Five days after Helmut Schmidt in the guesthouse of the Hamburg Senat had dug up the chit with the secret number, written in green ink, of the SED chief and by telephone had postponed his visit indefinitely, the SPD chairman of the Bundestag Inner German Committee took the floor. He felt "obliged," Buechler said, to warn against "letting oneself be exposed to the domestic political pressure being stepped up daily by Strauss."

Advisers to the chancellor thought they could detect some of Wehner's language in Buechler's declaration--for example, in this passage: "Let it be known to our government...that we will not allow ourselves to be distracted.... The fact might definitely have to be taken into account that precisely despite and because of external circumstances the work of dialog ought to prevail."

A Wehner commentary spread through an SPD Bundestag member? It would not be a new tactic.

Exactly a year ago, the boss had once before inspired a deputy, Berlin Social Democrat Waldemar Schulze, to voice harsh criticism of the chancellor. At that time Schmidt had rejected a Honecker proposal for an informal meeting on the Island of Ruegen. Commenting on the chancellor's position that there was bound to "be some side effect," Schulze said: "Thus political relations are being judged from a grocer's kitchen perspective, and not by the purpose a talk may serve precisely when it is not friends who are sitting around the table."

But, in contrast with a year ago, criticism of the government decision by the Germany politicians in the party outside and inside the Bundestag, because of the election campaign, has been heard only in subdued tones in public. No SPD man wants to incur the blame of having stabbed the chancellor in the back 5 weeks before the election.

Internally, however, differences of opinion had become apparent even before the decision to postpone the trip to the GDR sine die. Already after Polish party chief Edward Gierek had canceled his visit to the chancellor in Hamburg did Schmidt confidants at government headquarters proceed on the premise that the West German head of government could not go to the GDR. Already early in the week before last, an adviser to the chancellor said: "If we are lucky, we will cancel and not leave it to Mr Honecker to do so."

Decoded, this meant that in the expert opinion of his Eastern analysts Schmidt should cancel his GDR visit if only because of the unclear situation in Poland, regardless of additional moves by the East Berlin hosts to make the trip more difficult.

At that time, Herbert Wehner, who was being kept informed by the Office of the Chancellor about the preparations, did not budge in his support of the trip, saying that misgivings on account of developments in Poland and possible effects of the unrest of the GDR were not momentous enough to cause cancellation of the journey.

People in the Office of the Chancellor can only guess about what Wehner thought thereafter. The head of the party in the Bundestag had not been swayed from his conviction even when on 20 August the head of the GDR Permanent Mission in Bonn, Ewald Moldt, suddenly called on Minister of State Gunter Huonker and struck the visit to Rostock from the program. A week earlier, Moldt at the Office of the Chancellor in Bonn, had formally agreed to the chancellor's wish to visit Rostock and Guestrow.

On the eve of the ministers conference, on Thursday the week before last [24 August], Schmidt was then informed by the deputy head of Bonn's Permanent Mission in East Berlin, Franz Bertele, that the protocol plans of the Foreign Ministry in East Berlin no longer included stops at Rostock and Guestrow. Likewise, a joint dinner of the West German chancellor and the East German head of state and party had been deleted.

By this time the experts in the Office of the Chancellor realized that Honecker, with whose office the preparations for the visit had been made, was no longer able to make the decisions on his own but that his Politburo shared in the decisions--above all, the hawk Hermann Axen, who is the top SED man responsible for foreign affairs. It was clear to Schmidt that the GDR no longer wanted the visit to take place, that "it was a symptom."

Those who, all obstacles notwithstanding, were continuing to advocate the trip no longer had a chance. The leaders of their parties in the Bundestag, Wehner and Wolfgang Mischnick (FDP), at first were not invited at all, and Guenter Gaus, Bonn's representative in East Berlin, while present at the consultations in Hamburg, was not asked about his opinion. Inner-German Minister Egon Franke, one of the most loyal followers of the chancellor, did have a chance to have his say, but his vote was of no more use than that of Berlin Governing Mayor Dietrich Stobbe.

Franke argued that there always had been shaky factors in inter-German relations. Willy Brandt had also gone to Erfurt in difficult times. "There was never a smooth protocol," the minister pointed out. Stobbe warned against relying on a "false signal." He said a cancellation of the visit would infringe on the "philosophy" that precisely in difficult times, in the interest of detente, the talks should not be allowed to be canceled.

But no one in the end was able to prove Schmidt wrong when he objected: "Just imagine I am sitting at the Werbellinsee and shots are fired in Zoppot, and Mr Honecker is compelled to declare his solidarity with the Polish government. What do I do then? What do I say? Shall I then depart with aplomb?"

FDP Chairman Hans-Dietrich Genscher--in his own way--also immediately was ready with a dialectical diplomatic formula. The cancellation, he said, was in fact a prodetente step. FDP Economics Minister Otto Graf Lambsdorff said there would be new contacts at the Leipzig Autumn Fair. And SPD Finance Minister Hans Matthoefer was quite pleased that, for a start, he had saved money for the expensive energy and traffic problems.

After the discussion the chancellor withdrew briefly with his foreign minister. The two gentlemen praised one another. Schmidt: "Isn't it nice, Mr Genscher, that we independently reached the same conclusion?" Genscher: "That shows our trusting cooperation in this coalition, Mr Chancellor."

But the chancellor and his FDP deputy are well aware that with such compliments they will not satisfy those who, like Wehner and comrades, are keeping a sharp eye on the manner in which the Schmidt-Genscher government is administering the Germany policy legacy of its predecessors Willy Brandt and Walter Scheel. Manfred Schueler, head of the Office of the Chancellor, comments: "We are seeing to it that people do not neutralize the subject. We will work against the impression being created as if the policy of detente had failed."

And so Foreign Minister Genscher flew to the United States for a stay of 40 hours last week and prevailed on U.S. Secretary of State Edmund Muskie to go on record in a communique that the policy of detente would be continued--in utter contrast to all the U.S. election campaign slogans about a policy of strength.

The chancellor himself pledged publicly to make up the meeting with Honecker as soon as possible.

Until then all the points that were expected to result from the meeting on the Werbellinsee are to remain on the agenda. While agreement would not have been reached there universally to lower the travel age requirements for GDR citizens, some humanitarian concessions, perhaps as regards family trips by GDR citizens, were "in the pipeline," as one Eastern expert put it.

Thus the approval list for travel applications was to be expanded, with East Germans also being allowed to visit close relatives on certain birthdays. In local border traffic, FRG citizens were also to be allowed to enter by bicycle and stay in the GDR overnight.

The leadership of the SPD in the Bundestag does want to see to it that things continue in the inter-German field. Marie Schlei: "Herbert Wehner and I are agreed that our people do not only need hope; what can be done must be done in addition."

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## APEL ON BUNDESWEHR BUDGET, MORALE, PERSONNEL

Bonn WEHRTECHNIK in German Jul 80 pp 14-17

[Interview with Defense Minister Hans Apel by WEHRTECHNIK; date and place not given]

[Text] WEHRTECHNIK took advantage of the special anniversary edition of the military publication by asking Defense Minister Hans Apel some questions, even some unconventional ones. They were answered with refreshing frankness. According to him, the defense budget should not be used as a buffer for conjunctural measures; that next year he would begin a debate regarding principles governing armament, in which, e.g. the role of tracked vehicles or planes would be strongly debated; that the FRG's arms export policy continues in its present form; that there are no global solutions regarding the promotion freeze, but that improvements could be achieved on a step-by-step basis.

WT: Before you became defense minister, you were finance minister for a period of 4 years. If you compare both jobs--where are, as far as you are concerned, the differences, the respective particularities? How do you feel about being not only a politician and head of civil service, but also responsible for soldiers and more than 150,000 civilians?

Dr Apel: It is difficult to make a comparison, especially between those two ministries, because of their different missions and structures. But for the minister, they have one area in common: he alone bears the political responsibility, he alone leads, he alone bears the ultimate responsibility for the people in his charge--even if he cannot achieve this without the cooperation of many others.

WT: The armed forces use new technology to a great degree, in part they even develop new trends. But one can nevertheless see that they are very strong followers of tradition. An example of this is the tank, allegedly



still the main weapon of the army, or the frigates of the navy. What influence do you, as a nonmilitary minister, have to bring about unconventional thinking and acting?

Dr Apel: An understanding of tradition is quite proper for the armed forces. The FRG army has been able to develop its own form of tradition in 25 years. In military technology, however, it is important to use the most effective means without hesitation. This also means that complicated machinery is by no means always the most effective--a fact never to be forgotten in a conscript army. Equipment which demands too much of the soldiers is unsuitable. And it must be understood that the FRG army is about to make decisions regarding the development and purchases of modern weapons systems of the 1990's. It will not be possible to simply write off trends. At the beginning of next year, I will start a debate regarding principles in which, e.g., the role of tracked vehicles or manned aircraft will be strongly debated. The result is open. But in spite of that, I am quite certain that even if the emphasis must possibly be shifted, tanks, manned tactical aircraft and frigates will still be needed in the coming decades.

WT: It is an open secret that the FRG army has difficulty in obtaining the means necessary for the purchase of fuel and that there are some problems with the supply of ammunition, as the American deputy defense minister pointed out recently. Why don't we hear about the expected supplementary budget anymore, which was to bring relief in both areas? In approximately 2 months, parliament will recess and then campaign. Not much can be expected after that.

Dr Apel: The supplementary budget has been decided. It provides for, among other things, DM 140 million for ammunition supplies and DM 250 million for fuel.

WT: Approximately 10 years ago, there was a so-called "NATO reinforcement program, EDIP [European Defense Improvement Program]," from which, among other things, the protective structures for the air force wings stationed in Europe were financed. Regarding tactical aircraft, and also financing of the additional costs for the building of new frigates (which arise out of the fact that it was distributed among five major shipyards), it has been demanded again and again that such extraordinary--not necessarily military--expenditures not be financed through Plan 14. Do you support this position? If so, what are the problems in connection with this?

Dr Apel: The defense budget should not be used as a buffer for other measures. I am opposed to using Plan 14 for financing economic aid programs. On the other hand, our security policy includes more than just the military contribution. It must be supplemented by contributions in social, economic, developmental and foreign policy. There must be sufficient funds for those fields, too. In short: our security depends on



more than just the funds allocated for tanks, planes and ships. It also depends on other essential elements of the federal budget of other departments. Only in its totality does security become possible in the 1980's.

WT: The FRG army represents the strongest strike force in Central Europe, both in terms of numbers and equipment. Should its deployment outside of NATO territory remain taboo forever, even if a huge crisis approaches the NATO periphery--which has again become a possibility after the most recent events?

Dr Apel: The constitution notes unmistakably that the mission of the FRG army is the defense of our country. Armed deployment of German soldiers outside of NATO territory is out of the question. It is also my impression that we, in the immediate neighborhood of the Warsaw Pact, have enough to do right here. Besides, the distribution of responsibilities within the alliance guarantees that our common interests are pursued even outside of NATO territory.

WT: The United States has called for a strong European engagement in order to be able to deploy American forces in other crisis spots in the world. This means that additional tasks fall to the FRG army, and especially to the German navy. Which tasks can you name, and what consequences could this possibly have for the equipment of our armed forces?

Dr Apel: The distribution of tasks within NATO is a joint decision. Any change in distribution must, therefore, also be discussed jointly. I could imagine that we would have to take over some of the tasks of the American navy, but, as I have said before, this requires intensive discussions among all partners. NATO is not a bilateral affair between the United States and the FRG.

WT: Since Spain now has a functioning democracy, it probably has the political prerequisites for also becoming a NATO member. How does the FRG government react to this, and would the FRG government be prepared to further Spain's NATO membership, even if this might possibly involve financial aid in order to bring Spain's armed forces up to NATO standards?

Dr Apel: Spain must decide for herself how it wants to enter the international community. It is my impression that Spain will first seek admission into the European Community. By the way, we are also having a dialog with Madrid which may help Spain to make its own decision on its way into the European Community.

WT: A few weeks ago you visited some of the Far East countries, accompanied by arms chief Eberhard. What possibilities do you see for increasing or--in the case of Australia--expanding our arms exports. And, speaking of arms exports: is a relaxation of regulations possible, especially considering the fact that a numerical increase would mean savings to the German taxpayer?

Dr Apel: I did not travel to Asia as a traveling salesman for the arms industry. All the countries that I visited have access to the German arms industry should they so desire. But they must decide this for themselves. I am very much opposed to pushing German weapons on anyone. The government's arms export policy continues to be in effect. The idea that greater numbers mean savings is too shortsighted. There are enough examples on the international scene which prove that whatever brings profits in good years forces the government in bad years to subsidize the arms industry--to become a door-to-door salesman.

WT: One cannot help but feel that the inevitable problem to be faced in the 1980's--namely, insufficient personnel because of reduced birthrates--will simply be denied or evaded as a "hot topic." How extensively do you deal with this question? Do you have an approximate answer, and could it possibly lead to female soldiers being used for certain tasks?

Dr Apel: That is a false impression. There is no doubt about the fact that there will be a personnel problem in the mid-1980's--by the way, not only with the armed forces. The government and the economy will also need young men during those years. The ministry has made calculations. But solutions will not be considered until the next session of the legislature. Also up for debate will be the question of whether women could serve as volunteers in certain military capacities.

WT: The question of the promotion freeze also behaves like a sine wave--the topic of heated debate one day, then barely mentioned the other. Can a proposed solution to the problem be expected from you in the few weeks left in this legislative session, or is the catchword "Wait"?

Dr Apel: No, there is no mention of waiting. No matter how annoying the promotion freeze is for the individual soldier (it also exists outside of the armed forces), we must continue to live with this problem. At present, there are about 500 captains on promotion freeze. They can count on their promotion within the next 2 years. However, younger ones will grow into this situation. After the army is fully established, times for promotion are longer. This is true for every army in peacetime. It is different for approximately 1,000 captains who, in addition to fulfilling personal prerequisites, also fulfill the time requirement for promotion to major, but cannot as yet occupy a higher function because the appropriate jobs are still held by others. They are caught in a freeze due to a lack of available slots, which touches on the effectiveness of the armed forces. This freeze is a result of the fact that, because of the determined task and duty structure, not all officers of the class 1935 to 1944 can be used in accordance with their qualifications.

Improvements can be made by increasing the number of positions. This is true for career soldiers in general--corporals, military specialists and troop command officers. All research and discussions have led to the realization that there are no realistic overall solutions, but rather that only step-by-step improvements can be achieved this way.

WT: The training of career soldiers at military academies has proved itself. But in spite of that, complaints are heard again and again from the troops about inexperienced officers straight out of the academy. Are there any known methods for relating the training of officers closer to practice than has been done in the past?

Dr Apel: These complaints are understandable, because the young officers have in fact very little field practice, and even the practice they did have was 3 years ago at the time they graduate from the academy.

We will not be able to make many changes in order not to adversely affect the ratio between time in training and total time in service. We must depend on the fact that the officers, after graduating and upon resuming their responsibilities, will compensate for the disadvantage with exemplary spirit and will be trained by comrades and superiors.

WT: Compared to our allies stationed in Germany, especially the French, the FRG army has relatively modern accommodations and infrastructure. But in spite of this there are repeated complaints about insufficient accommodations--just think of the latest report of the commissioner. Or are those only rare cases? When will improvements be made?

Dr Apel: The commissioner has made it clear in his latest report that the insufficient accommodations represent rare cases and are not representative. Approximately 90 percent of all accommodations are in order and 10 percent are below standard. This is, of course, no reason not to correct this immediately.

We are in the process of determining which projects within the service must have priority. But to pour more money into the infrastructure, considering the present economic situation, would mean increasing costs without creating expansion. We continue in our intention to renovate approximately 10,000 to 15,000 accommodations per year. The problem here is temporary quarters, because the quarters to be renovated must be vacated. This means overcrowding other buildings. In order not to be too hard on the soldiers and not to interfere with duty, one or two barracks can be renovated simultaneously within one post. This year, we are spending DM 130 million for renovations.

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## EDITORIAL CONSIDERS PROBLEM OF ENFRANCHISING RESIDENT ALIENS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 11 Aug 80 p 1

[Editorial: "Guests, Not Fellow Citizens"]

[Text] Giving resident aliens the right to vote has been the subject of heated discussion for some time. This idea is not to be rejected outright. This was all right when there were few aliens in the FRG, for a limited number of reasons: businessmen who wanted to earn money, students trying to get an education. But now we have more than 4 million aliens in the FRG, nearly 10 percent of the inhabitants: this is a new situation, justifying, even requiring, new considerations.

One of them is: Should aliens be given the right to vote in local elections? Even political parties have given serious consideration to this question. The FDP included the following sentence in its platform during its party congress in Freiburg in May: "All alien fellow citizens shall receive the active and passive right to vote in local elections after 8 years of residency." Environmentalists demand in their platform from Saarbruecken "the right to vote in local elections for alien fellow citizens from the beginning of their residency." The SPD dealt with similar proposals during its last party congress; Hessen's Minister President Boerner declared after the SPD/FDP coalition victory of 1978 that the local government will "investigate under what conditions alien fellow citizens can be given the active and passive vote in local elections." Once a government starts "investigating," first obstacles are overcome.

It goes without saying that the right to vote cannot be granted to aliens without a change in the existing laws, i.e., not simply by a sovereign act of government. The question is whether the constitution would permit this. It says that the representatives of the Federal Diet are elected by the "people"; at that time it still seemed assured that that meant the nation consisting of those of German citizenship, which means the Germans according to Article 116 of the Code in the particular case of the divided Germany.



The demands of the political parties concentrate on giving the franchise to aliens "at least" in local elections. But since the constitution provides that the principles governing local elections shall be the same as those governing the political process in the states and in the federation (Article 28 of the Code), then this must also apply to the right to vote in local elections. And, the constitution being as it is, says that only Germans have the right to vote.

In addition, it is especially the local politicians in political parties who object to being the ones who--being at the very bottom of the political totem pole--have to deal with this problem. At the FDP party congress in Freiburg, local politicians stated (perhaps with sarcasm) that the right to vote for aliens would be rather commendable. Because the big boys in Bonn would be able to deal with any possible questionable representatives of alien parties. They said that in fact those who naively believe that aliens should have a voice would in the end have to deal with influences from abroad, with those who use the position of city council fractions here in order to influence political discussions in their home countries. The very FDP man who said he has no interest in a fraction of "environmentalist wolves" in his local parliament, and that he also cannot see where it would do the resident Turks any good, may not have been all wrong.

But should aliens who have lived here for years, decades, perhaps were born here, have no political rights whatsoever? Whoever lives here for any extended period of time, whoever stays here, i.e., wishes to merge his fate with that of the FRG, has the opportunity to become a German citizen. Facilitating this should be considered, or even become necessary. But the statement that the FRG is a "Country for immigrants" does not do anything for the problem of enfranchising aliens. Other immigrant nations, such as the United States, do not make it easy to obtain citizenship. Also in the interest of those who desire citizenship: they not only receive rights, they also become part of that nation's fate and take on the duties connected with it.

The FRG should not deny aliens the free choice either to do this or not, by not forcing on them a responsibility which a guest, who must be treated like a guest, may not even want. Even friendliness can be overdone, and we Germans have a tendency to overdo things. Even the very word "alien fellow citizen" in the party platforms leads astray. Aliens are guests, they were welcome, they have a right not to be simply sent away if some day they were to be less welcome, they must comply with the rules of the host, just as guests have to do everywhere. But they are not "fellow citizens." They can become that, should they decide and should they fulfill the necessary requirements and then, and only then, do they have the unconditional right to vote.

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## PROSPECTS OF WARSHIP SALES ABROAD VIEWED

Duesseldorf WIRTSCHAFTSWOCHE in German 1 Aug 80 pp 54-55

[Text] Thirty-five years after the end of the war, the Germans are once again allowed to build warships of any size. But clearance through the Western European Union presents even more conflicts for the FRG government than in the past.

For 3 months, the Indian government kept the business a secret. Then, on 24 July, a government spokesman in New Delhi stated tersely that the Deutsche Werft AG (HDW) (German Shipyard Corp)--corporate headquarters: the government-owned Salzgitter Corp--will deliver 2 type SSK 1500 submarines to India in accordance with an agreement reached in May. There are plans for the assembly of additional units of the same type and for extensive Indian production.

The boats ordered are of the type HDW 209, 1,000-ton class; the Indian designation 1500 refers to the tonnage derived by the Indian government, according to the manufacturer. The contract was quickly calculated to be between DM 300 and 400 million, the time frame at HDW in Kiel until mid-1983.

But in the long run, there is little cause for the unilateral enthusiasm about the fact that finally a German shipyard had won the difficult competition with Swedish, Italian, French and Dutch competitors. Because the Indian subcontinent continues to be a trouble spot.

The FRG government's liberal attitude in permitting the delivery of the submarines to India cannot be fully explained until the next--much larger--arms deliveries to India's archenemy, Pakistan. Because it is not India but Pakistan which, after Russia's attack on Afghanistan, is the bulwark against Russian conquests as far as the Indian Ocean. And military leaders there have already submitted an extensive order for armament to the West.

It is improbable the FRG arms industry does not profit from this order, especially since financing by interested OPEC nations should not present

any difficulties. The volume desired by the Pakistanis of DM 3.6 billion is just barely above the 3 billion which was the subject of the most recent arms agreement between Russia and India.

Considering these facts, it is doubtful whether the restrictive German arms control law (KWKG) (see WIRTSCHAFTSWOCHE Vol 20, 1980) can ever be enforced again. Even Chancellor Helmut Schmidt's speech of 26 May 1978 before the United Nations is mere lip service. Key sentences: "Only in very rare exceptional cases do we allow arms supplies to nations outside of our own alliance." "We do not allow arms supplies to international crisis areas as a matter of principle." "We are in favor of limiting the international transfer of conventional weapons."

Such statements have a sad ring to the SPD's Dr Echehart Ehrenberg, independent critic of the armament question. His commentary on the contradiction between the relaxed arms export policy, which secures work for many, and the guidelines expressed by Schmidt: "How insolent."

This discrepancy between the chancellor's speech and reality will be even greater after the decision by the West European Union (WEU) of 21 July, according to which the FRG will again be permitted to build warships of any size. Because this decision will have no immediate impact on the FRG navy, if for no other reason than the limited defense budget. And no sales can be made to other NATO countries, because their own shipyards are struggling for employment to capacity.

This leaves no other choice to the German shipyards which have specialized in building warships (in addition to HDW, especially Blohm & Voss Corp belonging to the Thyssen Concern), than to force export even to crisis areas as defined in the KWKG. Thus they would continue in the tradition of past years. Because, e.g., of the last 24 foreign submarine contracts—not counting the Indian ones—6 each came from Argentina and Iran (canceled in part), 4 each from Greece and Peru, 2 each from Turkey and Indonesia. If the WEU decision has caused concern in the East and West, then it is less due to fear of a new German warship such as the "Bismarck," but rather due to fear of a new type of German export offensive.

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## RURAL PARTY CONGRESS APPROVES UKK FOREIGN POLICY

Helsinki HELSINGIN SANOMAT in Finnish 4 Aug 80 p 3

[Article by Hannu Savola: "Rural Party Making Public Statements"]

[Text] Lahti--The SMP [Finnish Rural Party] approved Sunday a set of public statements and programs on the decision-making day of its party congress that ended Sunday in Lahti.

The new special program on energy policy was regarded as the most important of these. In it the SMP demanded among other things conservation of energy, a greater shift than before to domestic energy, and a more concerted search for alternative energy sources.

The SMP sharply rejects nuclear power. They do not even consider it as an economical solution.

In its agricultural position statement the party observes that domestic food production is insufficient, for which reason the SMP foresees an immediate famine for the country in a crisis situation.

In its foreign policy statement the SMP sees that the basic line, "a foreign policy of the whole nation," followed by our country is correct. But the party rejects the use of foreign policy to prop up party or personal power.

Along with making up the public statements and programs, the party congress chose a 32-member party council to exercise the highest decision-making power between congresses. The council is led by Chairman Pekka Vennamo.

Sunday's program for the meeting included also a morning march from the market place to the meeting site and the Tiirismaa school. It was estimated that about 1000 SMP party members participated in the procession, and they arrived at the meeting hall nicely in time to get in before a heavy thunderstorm.



## A Smoother SMP

The Lahti party congress of the Rural Party showed that the SMP has clearly moved into a new period during the time of Pekka Vennamo. The style is smoother, aggravations have moderated, and populism has decreased.

The party congress was reminiscent of the congresses of the "old parties," even though the old words used by the SMP are still to be found in the public statements. But there was no more of the "lock up the bandits" style.

Chairman Pekka Vennamo says that the more rational flavor has been made possible by a solidification of the SMP's position. The SMP is understood and known. "Now we can concentrate to a more peaceful deliberation and deeper study of the issues."

The general rational flavor probably comes in large part from the chairman's personality, Pekka Vennamo thinks: "Veikko is more colorful and arouses for feelings, whereas I am drier and perhaps more analytical."

On the other hand the attitude of other parties toward the SMP is also changing slowly, says Vennamo. According to him, the SMP will have to be reckoned with in the future in a different way when alternatives will have to be found the National Front.

According to Chairman Vennamo the SMP has no obstacles in principle to co-operation with either the left or the right. He does not consider it an impossible idea that the SMP will even become a government party. "Of course that is a decision that is not entirely in our hands."

The idea of the SMP becoming a government party nevertheless seems very distant and incredible. Even the smoothened SMP hardly qualifies to be a cooperating partner with the "old parties." For example, the Christian Union would be nearer to the government if a bourgeois-majority government without the SMP the SMP could be formed.

One sign of moderation of the vocal pressure of the SMP was also the fact that in contrast to earlier party congresses President Urho Kekkonen was not criticized at all in Lahti.

Pekka Vennamo reminds us that Kekkonen is now a president chosen by election, who will be supported by the SMP in the normal order of things.

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## SOCIOLOGICAL PROFILE OF FRENCH POLITICAL LEADERSHIP

Paris PROJET in French Jul-Aug 80 pp 787-800

[Article by Veronique Aubert (CNRS) and Jean-Luc Parodi (CEVIPOF): "French Political Leadership"]

[Text] French political leadership<sup>1</sup> is the product of a complicated interplay of forces which, to satisfy the need for expositional clarity, can be reduced to a three-part logic: sociological factors, which are common to the majority of contemporary societies; national factors linked to certain specific characteristics of French society; and the crosscurrents of history which come cutting across the aforementioned factors and complicate analyses done in too summary a manner.<sup>2</sup>

## The Sociological Constants

First of all, French political leadership exhibits features common to political leadership groups in pluralist forms of government, features which often form a consistent pattern due to party affiliations and which have sometimes changed somewhat over the last 50 years.

## Male, in Their Fifties, and Privileged

French political leadership is nearly 95 percent male. The percentage seems to be slightly less for members of the government (90 percent, and even 86 percent for ministers taken alone), because the latitude of presidential choice under the Fifth Republic has allowed V. Giscard d'Estaing to symbolically show his interest that way in the "status of women." France is hardly any different from other Western nations in this respect.

While the individual members of the French political leadership group are on the average in their fifties, the percentage of them which is over 50 is particularly high among the local elites or those coming out of them. This percentage is no more than 67 percent for members of the government and 56 percent for deputies elected in March 1978. Besides age requirements, election systems and the length of their term, two main factors shape these differences: for the elected representatives, the ages at

which they assume and leave office and electoral shifts; for appointed officeholders, the age of the person with the power of appointment. Since retirement pensions do not exist in the political arena, with a few exceptions, each individual in this political leadership group has a tendency to make his way to the utmost limit of his capabilities. Apart from the approach of death and being made aware of it, only the conditions of power (that is to say the will of his voters or the possible pressure of members of his political grouping) can put an end to the determination of a politician to keep performing his job. In other words, the weaker the power of the party, the greater the stability of elective office tenure; and the smaller the electoral unit, and correspondingly the more numerous the personal ties, the longer a person's leaving office will be delayed and the older he will be.

Conversely, strong parties which are therefore able to force people to step down, disputed elections, and marginal constituencies liable to provoke forced retirements, make for a younger group among the leadership group being considered. On a more personal level logical observation links the age of a man in politics with ages of his associates; this is even truer when he is free to choose them.

Because one can only embark on this kind of career "when the old men aren't there any more," the age of stepping-down determines in part the age of entry into a particular institution and correspondingly the average age of its members. The weakness of incentives for retirement explains the advanced age of local elites: the relative youth of V. Giscard d'Estaing explains the noticeably youthful cast of his ministers: the importance of the renewed mandate of March 1978, with its combined results of departures and defeats, accounts for the relatively low proportion of deputies over 50, 56 percent, this having been 64 percent at the beginning of the previous legislative term.

Finally, just as in other countries, French political leadership is characterized by its being predominantly recruited from the more advantaged social groups. Four numbers sum up this growing selectivity of political leadership: the total of what are called the top social categories (manufacturers, prominent businessmen, members of the liberal professions, upper level managers, and educators) represents 8 percent of the working population: for the March 1978 elections it provided 42 percent of the candidates, 66 percent of those who were elected, and 90 percent of the members of the government. When comparing shares of electors to shares of candidates, the rise is particularly steep for members of the liberal professions (0.8 percent of the first group, 15 percent of the second) and for educators (1 percent and 12 percent). Comparing candidates to those actually elected this rise applies mainly to upper level managers from the public sector (5 percent of the candidates, 13 percent of those elected) and the members of the liberal professions (15 percent and 24 percent). Regarding the move from candidates-elect to those with government responsibilities--but the comparison is skewed by the existence of opposition

deputies--the filter applied in spectacular fashion to the upper level managers of the public sector: 13 percent of the deputies, 34 percent of the members of the government. The local elites seem to be dominated by the top social categories to a lesser degree because of the influence of farmers (39 percent of the mayors in 1977, for example).

### Differentiation Between Parties

This not very original description of French political leaders calls for some touching up as soon as one looks at the details of party membership.

In the Communist Party, and more recently in extreme left-wing organizations, the struggle against male preponderance was being carried on at a fairly early stage and with less failure. Shortly after the war, France saw its highest level of women deputies, 7 percent. This is explained by the then recently introduced vote for women and their role in the Resistance, by the effect of the system of proportional representation, which allows party organizations to select who will represent them, and above all by the strength of the PC (F) (23 of the 40 women elected in 1946 were communists). In subsequent Assemblies, the proportion of women followed the ups and downs of communist representation and collapsed along with it in 1958. Nowadays the PC (F) supplies 13 of the 20 women deputies; after the leftist organizations, it put up the highest proportion of women candidates in March 1978.

Party membership also comes into play in the social timing of political involvement: thus a survey done on the 1968 deputies clearly showed that the age at which interest was first shown in politics was on the average a much earlier one among the young communists and socialists than among the centrists and Gaullists; it was the same for the age when they were first engaged in political activity, which on the left was particularly militant, and on the right more often establishmentarian and election-related.

Finally, party origins provide the background to a great extent for a socio-professional breakdown and for the social origins of the political leadership, particularly for deputies.

In the communist group, workers have the upper hand, or more precisely former workers who were usually officials involved in politics just before their election. It is the only political grouping in which blue-collar plus white-collar workers just about balance out the other categories and in which schoolteachers are proportionately highest. This recruitment, less heavily weighted toward the top than other parliamentary groups, makes it more like social-democratic groupings in the Nordic countries: their union ties allow them to compensate for the elitist tendency of political recruitment; added to this, for the PCF, is the free hand in symbolic representation that its centralized selection system allows for.



The socialists elected to office come from more comfortably off professional origins than the communists; teachers and public sector managers are strongly in evidence; factory and technical workers and even white-collar workers are absent. But one is struck by the "recent upward social mobility" of most of them: in 1978, for example, nearly three-quarters of the socialist deputies belonging to managerial categories came under middle-class and working-class categories by reference to their parents.

On the right, centrists have long been characterised by the importance of farmers and members of the liberal professions, and the Gaullists by well-to-do salaried employees in the public and private sectors.

### Three Hints of Change

Within these general characteristics, one can sometimes make out some slow transformations. First of all, in the course of recent years, the proportion of women has slightly advanced at all levels of the political pyramid. These changes, which are slight, affect the candidates per se more than the group that actually gets elected, the badly disciplined districts more than the well-disciplined ones, and the parties likely to freely determine the symbolic balance of their authority figures more than those which owe that determination to factional struggles or negotiations among their leading members; but the trend towards restoring balance among the two sexes within the social elites is too definite and at the same time resistance to it too deeply rooted for the years to come not to show both a continuation of the unbalanced structure and a slight lessening of this imbalance.

Another transformation is that the proportion of working-class in the "working-class" parties is diminishing, in any event within their parliamentary representation. This is a long-term development. In 1936 the communist grouping in the Chamber of Deputies was 48 percent former working-class, between 1946 and 1956 around 40 percent, and for the Fifth Republic's six legislative terms around 35 percent. In the same way, the socialist grouping which still had 8 percent former working-class in 1936 only included 3 percent under the Fourth Republic and less than 1 percent during the Fifth Republic. It seems undeniable that within the very heart of the PCF which in the avenue to Parliament for former members of the working class who have become party officials, this latter group has been challenged for several decades by other participants. The same phenomenon is found elsewhere in the body of social-democratic parties: the British labor Party offers a good illustration of it.

A third modification lies in the rise, over the course of the last two decades, of high-level bureaucrats, but there we are getting into the area of nation-specific factors.

## Government Service: A Remarkable Presence

The make-up of the political leadership group, which stands for a Republic of teachers when it does not present a picture of a Republic of senior civil servants, is an illustration of the remarkable position occupied by government service.

From the Third to the Fifth Republics, the figures attest to this: the share of government employees is rarely less than a quarter of the leadership corps; and it almost always exceeds one-fifth of the membership of the parliamentary assemblies. At the dawning of the twentieth century, state employees were already hard on the heels of lawyers, who were then at their peak in terms of representation.<sup>3</sup> State employees were ultimately to out-distance them, and by a long ways.

A closer examination of the data relating to the post-war period confirms this observation. State employees made up one-third of the total of ministers and secretaries of state in the Fourth Republic, followed by lawyers (26 percent) and company managers (16 percent). The composition of Fifth Republic governments seems even more significant: depending on the particular time period, their percentages varied then from 43 percent to 66 percent.<sup>4</sup> Similar observations emerge from the analysis of members of parliament: each legislative term repeats the preeminence of state employees, which no other socio-professional group competes with.<sup>5</sup>

This kind of interchange between government service and political leadership is not encountered in any other Western democracy.<sup>6</sup> A number of interpretations have been suggested to account for this specifically French trait. Certain authors see it as a logical part of the workings of a government which in this way indicates its emancipation as a civilian society.<sup>7</sup> Others attribute it to the high degree of organization in government service and to a history which linked several of these organized bureaucracies to the development of the republican system of government.<sup>8</sup> Lastly, many explain it by the general expansion of the salaried class and the professionalization of government service, a corollary of modern society; from this perspective, French law has favored the aforementioned interchange<sup>9</sup> by giving bureaucrats the advantage by comparison with salaried workers in the private sector.<sup>10</sup> In fact, all these reasons have combined to transform the civil service into the principal breeding ground where political leadership is recruited.

## The Duopoly of Teachers and High Level Civil Servants

The overlapping of these two sectors with elective office is, nevertheless, less extensive than such an overall approach might allow us to assume. Among those with multiple government functions, high-level civil servants and educators are far and away the most relevant; they make up 87 percent of the total of 76 bureaucrats called on to assume ministerial responsibilities between 1945 and 1957, and 93 percent of the 145 ministers drawn from

government bureaucracies throughout the period 1959-1976. Their preponderance carries on into the parliamentary assemblies: 83 percent of the elected representatives in the National Assembly during the Fourth Republic who came from government service belonged to the teaching profession or the higher ranks of the civil service, and 79 percent during the Fifth Republic. This carries over into local assemblies: to take only one example, 89 percent of the mayors coming from government bureaucracies elected in March 1977 in towns with more than 30,000 inhabitants were drawn from these two groups.

This duopoly has evolved in various ways over the years. The leadership of the Fourth Republic counted as teachers among its deputies and ministers drawn from the civil service 66 percent and 54 percent respectively, and the Fifth Republic 46 percent and 19 percent; conversely, high-level civil servants originally from bureaucracies during the Fourth Republic made up 18 percent of the elected representatives and 33 percent of the ministers, and they contributed at the levels of 39 percent and 73 percent to the strength of these same bodies is that the seven heads of the government who have succeeded each other since 1959 have come out of the civil service, five of them from senior government service, one from the teaching profession (R. Barre), and finally the last from both one and the other at the same time (G. Pompidou). These figures call on us to observe two phenomena: the continuous presence of the teaching profession during the last 30 years, but also its disappearance from the governmental sphere during the repercussions of the institutional change which occurred in 1958; and since that time, the striking breakthrough of the high-level government service to take its place and swarm into the assemblies.

A new configuration of the two categories is being drawn in the political world. The predominance of the upper-level civil service at the national level, and its representation in Parliament which is challenged by teachers, finds itself substituted at the bottom of the electoral pyramid by the domination of primary and secondary school teachers. Nowadays, the hierarchy of elected office-holders is a duplication of the hierarchy of the civil service, with the secondary status of educators in the social field being perpetuated in the political field.<sup>11</sup>

Of course this distinction conceals another difference which is conveyed by the political affiliations of the two categories. Examining the different legislative terms of the Fifth Republic makes it apparent: while teachers are to be found in first place within the opposition parties, their inflow into parliament being accompanied by the success of leftist forces, upper-level civil servants stake out their position especially in the centrist, Gaullist, and Giscardian groups.

These contrasting tendencies mask more varied political affiliations in each of these categories according to their specific bureaucratic origin. While teaching personnel are generally speaking to be found in the leftist parties, this assertion is even more valid when one considers the bottom of the hierarchical pyramid in this category. Primary school teachers,

almost all of them sitting on the benches of the opposition, are located mainly in the ranks of the Communist party; secondary school teachers show more variety overall, but nevertheless they are concentrated within the Socialist party to which they contribute 55 percent of its strength since the elections of March 1978. As for the body of university professors, it is clearly differentiated from those of its "colleagues" of the secondary and primary levels, although this assertion may be less correct today. "On the majority side" up until 1973, it has since that time been equally divided between the two poles of the political scene.<sup>12</sup>

In the same way the upper-level civil servants are, politically speaking, relatively heterogeneous. But the nuances are subtler which set up the members of the Audit Office, the Treasury Inspectors' Office and the Diplomatic Corps, who lean toward the majority parties, in opposition to members of parliament who have come from regional government staffs and the Council of State, who go back and forth between those same groups and the Socialist party.

"Generally," observes A. di Stefano, "party membership of civil servants quite faithfully reflects the cleavages of the civil service. First of all there is the vertical cleavage, which puts certain bureaucratic agencies more to the left than others; then there is the horizontal cleavage according to which the higher one goes in the civil service hierarchy the more candidates-elect belong to the majority"<sup>13</sup> and to bodies of executive authorities. First of all this highlights the influence of the agency of origin in determining the standpoint of civil servants,<sup>14</sup> which is shown by the persistent "left-leaning" of primary and secondary teachers, in spite of the relative heterogeneity in their socio-professional make-up which has been manifest for some years; this accounts as well for the profile of the political leadership such as it is taking shape under the Fifth Republic; finally this leaves two questions hanging. Does the new distribution of political power reflect structural change? And if so, is it not encouraging a growing split between the national center of the politico-administrative system and its local-level periphery, which is liable to put an end to the "republican synthesis" which it had been previously achieving?

#### A New Preponderance

At the time of the 1956 legislative elections, upper-level civil servants made up 1 percent of the candidates put forward by the different political groupings, and teachers 6.5 percent; 22 years later, the former made up 2 percent and the latter 18 percent. For 30 years, extensive penetration into the political field has characterized the upper-level government service infinitely less than it has the teaching profession, which has tripled its participation in election fights from the Fourth to the Fifth Republic.<sup>15</sup>

This unequal showing the one group and the other is in no respect a sign of their respective weightings among the elected political leadership. While the upper-level civil servants' rate of success in elections<sup>16</sup> throughout



the period amounts to a ratio of 3 to 1, an exceptionally high level in relation to the results achieved by any other socio-professional category, the rate for teachers, on the order of 2 to 1 under the Fourth Republic, has been fluctuating around unity since 1958. Obviously, this last development must be related to the results achieved by the various leftist forces since the advent of the Fifth Republic.

The party variable does not however suffice to explain these differences. In 1978, whether they were put forward by nomination of the majority parties or the Socialist Party, high-level civil servants and teachers had the same rate of success, for the first 3 to 1, for the second around 1 to 1. Evidently, the upper-level government service benefits from a special advantage whatever political current is involved, with the exception of the Communist Party.<sup>17</sup> This is to say that the distribution of "safe" constituencies is in their favor, even in the Socialist party; more fundamentally this makes us ask to what extent the opposition function performed by this party nowadays is determined by, in part, the socio-professional make-up--primarily education-oriented--of its governing bodies.

In response to the prevailing standards of competence and how things work under the Fifth Republic, a new leadership personnel is taking its place at the center of the governmental machinery. The "Republic of good students" has led to one of high-level civil servants; the system of elite formation did not offer any alternative. Moves from the civil service into politics are all the more easily accomplished since by entrusting to the chief of state, elected from the time of this Republic by universal suffrage, the appointment of the government, and by decreeing the incompatibility of ministerial and parliamentary office, the traditional opposition of politics and governmental administration has been erased. Thus the upper-level civil service is becoming, through its schools and its major agency divisions, the dominant network for socially conditioning and selecting the governing elite, and the ministerial cabinet, a hybrid kind of spot at the meeting place of the two areas of politics and government, is becoming a good transfer point. Then follows anointment by universal suffrage.<sup>18</sup> The numerical influence of high-level civil servants, in local assemblies as well as in parliament, has not ceased growing.<sup>19</sup> And while certain people see first off in this movement the extinction of a professionalized political leadership<sup>20</sup> others point out the existence on the sub-national level of a solidly established "counter-establishment."<sup>21</sup> By doing this, they awaken our attention to a special characteristic of political careers in France: the practice of holding more than one elective office concurrently.

#### Concurrent Holding of Elective Office: A Traditional Practice

As distinct from actual rulings laid down in certain countries and from the custom which is established in other countries limiting--when they do not prohibit--concurrent holding of elective office,<sup>22</sup> law and political tradition in France authorize one to simultaneously hold national and local elective offices.

The study of parliamentary membership from the beginnings of the Third Republic shows the continuous exercise of this option and allows us to make a good evaluation of it. The extent to which offices were concurrently held varies throughout the period, but since 1958 it seems to be experiencing noticeable, regular and continuous growth.<sup>23</sup> This last assessment however calls for some qualification: firstly, because of the varying durations of the three systems of government being considered, which influences the growth of this phenomenon; then, because of the sequence of different balloting systems which have distinct effects on the way it developed; finally, because any election which results in a significant turnover of politicians sets back the trend: such was the case for the elections of 1919 and 1946 each of which in different degrees marked an abatement of the process. Caution therefore encourages us to confine ourselves to the generally established fact that this is a traditionally dominant element in the conquest of political power in France.

Because it helps to offset the sinking esteem for political office, and it allows for an income factor during electoral competition, and, finally it gives enhanced influence in the preselection of political leaders, concurrent office-holding must necessarily be an important concern in the strategy of political actors.

#### Pay Structure; The Income Factor

In the current political system, combining several elective responsibilities seems liable to wipe out the particular disadvantages of each of them. The position of deputy mayor offers a good illustration of the complementarity of attributes which link one elected position to another: the satisfaction expressed by the mayor with regard to his role and the social recognition of which he is the recipient are in contrast to the feeling of powerlessness which the deputy has; on the other hand, the financial security the latter enjoys can after a fashion be some compensation compared with the risky financial situation of the former. In this pay structure lies an initial factor encouraging the quest for concurrent office.

Whether it is a springboard for or consolidation within a national political career, holding a local elective office remains a major asset. In March 1978, out of the total number of deputies running for reelection at that time, the proportion of local offices held by the deputies who won reelection was greater by more than one-quarter than that of local offices held by defeated deputies; furthermore, office "collectors" were twice as numerous among the first group as among the second.<sup>24</sup>

One has no choice but to observe that success in the electoral field rests on acquiring several elective responsibilities. This phenomenon is self-reinforcing. Concurrent office-holding leads an elected office-holder to try and renew his mandate and gives him an extra chance of obtaining it; deputies with expiring terms who were reelected in the 1978 legislative elections hold more local offices than the deputies with expiring terms who were candidates; and this last group have more of them than the deputies who retired.

Going beyond the balloting procedures whose influence is at the same time real but limited, the existence of this phenomenon could be attributed to the nature of political parties: the inadequacy of activism at the grass roots level, lack of leadership, absence of organization, so many reasons which encourage political parties to give their recognition to a local authority rather than pull out fresh political material at the time when appointments are handed out. And although this diagnosis cannot be applied generally to the sum total of political forces, none of them, each a prisoner of the system in some way, can escape its consequences. In March 1978, local elected office-holders still made up more than half of the candidates<sup>25</sup> and around four-fifths of the elected representatives<sup>26</sup> of each of the large political groupings then taking part.

### Recognition of Local Influence

To stick to these figures is not enough; in reality, concurrency can only be understood in a two-fold perspective: the order in which the concurrent offices were obtained, and the extent to which they are accumulated.

Even if all deputies work at collecting offices, they do not collect the same numbers. The division between those who are limited to having two offices and those who hold at least three of them allows one to make an initial distinction between membership in two types of political grouping which will be called the decentralized party and the centralized party:<sup>27</sup> 58 percent of the socialist deputies elected in 1978 collected more than two elective offices; the proportion falls to less than 40 percent for the PCF (34 percent), the RPR (35 percent) and the UDF (39 percent), though it is true that the figures referring to the last two groupings could be affected by the majority's setbacks in the cantonal and municipal elections of the two preceding years.

And even if all deputies work at collecting offices, they do not do their collecting by mapping out the same route. The classification of parliamentary groups right after the June 1968 elections according to whether their members had come directly into parliament or whether they had followed the traditional local pathway allows us to contrast, on the one hand, socialists and elected representatives from centrist groupings (PDM and RI) who had started their career by obtaining local offices, with, on the other hand, Gaullists and communists of whom around half had reached the National Assembly without having ever held another office. However, the resemblance between these two last groups ends there: even if many of the communists had not adopted the local route, this was not for lack of having tried: 22 percent among them had experienced defeat in an election of that kind.<sup>28</sup>

The Gaullists, for their part, had never had the chance to experience the same thing, having fallen as they did in 1958 as well as 1962 and 1968 into legislative nominating situations which were as favorable as they were unexpected. Here, circumstances added to a more centralized recruitment accounting for the pathway which was followed.

To put it another way, the more the nomination of a candidate depends on a decentralized organization, the greater the probability that the organization will give its blessing to concurrent office-holding. On the other hand, the more the nomination of a candidate depends on a centralized organization, the greater the probability that it will favor advancing people from out of the blue, a probability which becomes greater still if the organization is in power. Along these lines, the position of the UDF with the double distinction just outlined (small percentage of concurrent office-holdings being consolidated in 1978, but a strong propensity to follow the local lead in 1968) illustrates the slow evolution of a party of locally influential people, the heir of the former CNI, into a governing party which is more centralized and more "bureaucratized." In the preselection procedures for political leaders, the recognition of local influence is to the decentralized party what expertise and militant activism are to the centralized party.<sup>29</sup>

### The Crosscurrents of History and Politics

In reference to a country which is calm and on an even keel, and protected from wars, colonial conflicts, and protest movements, one might understandably stop analyzing its political leadership at this point, that leadership being formed by sociological constants, transitions over the long term, and specific national factors. France hardly fits this tranquil description. On top of the kinds of reasoning already put forward here one must add other kinds which tone down the combined effects of the former. Falling under those crosscurrents of history and politics are the Resistance as well as the appearance of new parties (the MRP, the RPF and its other incarnations, and Poujadism), the large changes in parliamentary membership of the kind which occurred in 1958 or 1962, changes in election systems or in the political system, being in power or being relegated to the opposition, etc. They can only be touched on here.

We must however stop and look at this last factor, being in power, since it will determine in part possible changes in French political leadership in the coming decades. One cannot understand the make-up of the Gaullist leaders under the Fifth Republic without taking into account their long term career strategies from the time that this large majority party seemed to be becoming an institution, and whose label was enough in itself to dominate the right and defeat the left. One cannot understand the change in Giscardian leaders without figuring what it owes to the hope for and then the reality of presidential power. This explanatory aspect of being in power, in times past and present, leads one to ask a question for the future: what will become of this Gaullist and Giscardian leadership in the event they lose control of the presidency and the National Assembly and are settled into the opposition for several legislative terms? How heavily will it then weigh, in the shifting balance between the national center and local power on the periphery, that there will be a lesser probability for young high-level civil servants of a ministerial career after a successful election marks them as legitimate, that party leadership will be weakened, that many will fall back on local offices which will regain all their importance?



Of course the lines of questioning generated by this hypothetical situation apply to the other camp: would not the changes which the very hope for power has brought to the leading authorities of the Socialist Party be heightened if the party really acceded to power? And does not this question deserve to be asked, even if in different terms, regarding the Communist Party?

If one extracts from among its characteristic features the most general and least unusual ones, French political leadership currently shows for purposes of analysis a certain variety of careers, which can be grouped together into four main types:

1. the man on the periphery with local standing, who starts his political life by taking over a local office, a convenient confirmation of his social status;
2. the young high-level civil servant, for whom the ministerial cabinet served as the sieve through which he penetrated into the political system, and who bases his claim for legitimacy on his academic excellence;
3. the local activist who enters into political life via the party track and then, local prestige helping him, steadily climbs up the steps of the classic "cursus honorum;"
4. the party official who begins as an activist and owes his power and career path to ideological loyalty.

From these four pathways entering politics stem four specific careers which one can sum up by the following schematic:

#### Typology of Political Careers in France

Place of entry into politics	Political resources of candidates	Career path	Socio-professional characteristics of elected members
1. Local power on the periphery	Legitimacy from local standing linked with combination of local offices: has access to national level	Concurrent and hierarchically-oriented offices - long career - career culmination: local power on periphery	The liberal professions
2. National power at the center	Influence linked to ability	National offices reinforced by local offices - rapid career - career culmination: national power at center	Upper-level government services

[continued from preceding page]

### Typology of Political Careers in France

Place of entry into politics	Political resources of candidates	Career path	Socio-professional characteristics of elected members
3. Local power on the periphery	Legitimacy from local standing linked with combination of local offices: has access to national level	Concurrent and hierarchically-oriented offices - long career - career culmination: local power on periphery	Intermediate salaried classes - including teachers
4. National power at the center	Ideology	National offices reinforced by local offices - rapid career - career culmination: national power at center	Salaried classes - including primary school teachers

Of course no party belongs exclusively to any one of these types, but each party combines them in a different way and this particular combination allows it to be typed: radicalism from days gone by, the CNI of the 1950's, and yesterday's RI would illustrate the first type; Pompidou's UDR and the new Giscardians of 1978 would come under the second; the PS before it aspired to power is more like the third; and the PC the fourth. Naturally, a party might find the internal balance of its particular combination changed and itself put in a more privileged status even if up until then it was more minority-oriented; thus the weighting of the second type depends largely on the control of the presidency. But the types themselves make up in other respects more coherent and more durable structures: they help account for the special characteristics of today's French political leadership, and it is in the evolutionary development of their respective weighting that we must probably look for the secret of tomorrow's.

### FOOTNOTES

1. By political leadership is meant the body of participants who, because of how they claim lawful authority (by election, or by appointment made by participants who were themselves elected), because of their main function, and because of the way they are paid for the work they do, fall into the political area: the president, members of the government, members of parliament, town and county councillors, and party leaders and officials.

2. Studies on French political leadership have proliferated enormously in the course of the last 10 years; it is impossible to cite all of them. Let us mention the pioneering work of Mattei Dogan, the classic analysis of Leo Hamon which time has not robbed of its insight in the slightest ("Members of Parliament in France," *REVUE INTERNATIONALE DES SCIENCES SOCIALES*, 1961, 4), the first survey conducted on members of parliament (Roland Cayrol, Jean-Luc Parodi, and Colette Ysmal, "Le pute francais [The French Deputy]," Presses de la FNSP, 1973) and the attempts made to take a broad view and formulate an overall interpretation by Jean Charlot ("Political Elites in France From the Third to the Fifth Republic," *ARCHIVES EUROPEENES DE SOCIOLOGIE*, 1973, 1), and by Pierre Birnbaum, "Les sommets de l'Etat [The Pinnacles of the State]," Seuil, 1977.
3. It is true at that time the military weighed heavily among state employees which makes any comparison with the data about subsequent Republics difficult. Cf. Jean Esteve, "Ministers of the Republic, 1871-1914," unpublished thesis, Toulouse Le Mirail, 1978.
4. Following on them, company managers make up the next best represented socio-professional category by their contribution of 25 percent to the total number of Georges Pompidou's government appointed in January 1966.
5. Between 1945 and 1958, way behind civil servants, the categories best represented in parliament were, in descending order, lawyers and others connected with the legal profession (13 percent), then farmers and working-class (12 percent); between 1958 and 1978, medical doctors (12 percent), lawyers and others connected with the legal profession (10.5 percent) and farmers (7.5 percent).
6. It is true that comparative studies are difficult to explain to the extent that the position of civil servant takes on very different meanings depending on the country.
7. Along these lines is the thesis of Bertrand Badie and Pierre Birnbaum in "Sociologie de l'Etat [Sociology of the State]," Paris, Grasset, 1980, especially pp 191-208.
8. Cf. Catherine Lalumiere, "Government Service in French Society," *APRES-DEMAIN*, special issue on government service, No 193-194, May-Jun 1977, pp 6-10. Also Michel Crozier, "Petits fonctionnaires au travail [Low-level Bureaucrats at Work]," *Travaux du Centre d'Etudes Sociologiques*, CNRS, 1955.
9. Cf. for example A. di Stefano, "La participation des fonctionnaires civiles a la vie politique [The Participation of Civilian Bureaucrats in Political Life]," Paris, Librairie generale de Droit et de Jurisprudence, 1979, 333 pages; also, "The Civil Service and Politics in France Under the Fifth Republic," *AFSP*, *IPSA*, Roundtable of 30 November and 1 December 1979.

10. In particular the option for any bureaucrat installed in a "full-time" elective government position to be placed on detached status and to have full rights to rejoin his original agency at the time of the first vacancy. The laws of 30 December 1913 and 21 October 1919 introduced this provision into election-related legislation; the general government service statute established it in 1946. It was renewed in the regulation of February 1959. Let us remember that previously a bureaucrat turned deputy was replaced in his job but he maintained his retirement privileges and at the request of the government could be reinstated at the expiration of his elective stint. Cf. Bernard Toulemonde, "The Tenure of 'Parliamentary Terms of Office' Concurrent With Holding Positions in Higher Education in France," *REVUE DU DROIT PUBLIC ET DE LA SCIENCE POLITIQUE EN FRANCE ET A L'ETRANGER*, No 4, July-August 1978, pp 949-998.
11. The hierarchy of party responsibilities reveals a fairly similar phenomenon. Thus "at the base of the PS's leadership pyramid, primary school teachers are found in great numbers, but as soon as one goes up a little, their places are taken by high school teachers and professors. We will often record these same basic findings: as one goes up in the party hierarchy, one finds oneself with activists who are higher and higher in the social hierarchy," P. Bacot, "Les dirigeants du Parti socialiste [The Leaders of the Socialist Party]," Presses Universitaires de Lyon, 1979, p 143.
12. With a shifting to the left of the representatives from higher education, the cleavages by profession have been blurred which used to oppose law and medicine plus conservatives from among literary types who were closer to the leftist parties. Cf. B. Toulemonde, op. cit., p 958.
13. A. di Stefano, "La participation des fonctionnaires civils a la vie politique," op. cit., p 252.
14. Cf. Alain Darbel, Dominique Schnapper, "Gaps in Roles and Day-to-day Behavior in the Upper-level Government Service," *ANNUAIRE INTERNATIONAL DE LA FONCTION PUBLIQUE*, 1970-1971, 1971, pp 59-82. The studies of R. Catherine, "Government Service," pp 109-154 and of J. F. Kesler, "Bureaucrats and Politics," *REVUE ADMINISTRATIVE*, 1966, pp 363-368, and "Political Opinions of Former Students of the ENA [National School of Administration]," *NOUVELLE REVUE SOCIALISTE*, No 32-33, 1978, pp 54-59, have given great prominence to the existing links between political orientations and government agency affiliations.
15. We would observe that the phenomenon does not affect equally the whole of this category but it characterizes the secondary school teachers and teachers in higher education, the first having increased their numbers threefold, the second fivefold. At the same time, their sociological make-up has been changed: the term "teachers in higher education"



from 1978; in the same way, the category "secondary school teachers" groups together on the one hand associate professors who have passed their aggregation and on the other hand auxiliary teachers and PEJC, these last two groups only belonging to the category of full-fledged educators for formal classification purposes. Meanwhile, they made up the major portion of the "secondary school teacher" candidates at those same elections, mainly "feeding" into the socialist, communist, extreme left, and ecological parties.

16. Defined as the ratio of the percentage of elected officials from representatives of a particular category to the percentage that those same representatives made up of the candidates.
17. The Communist Party did not put forward any upper-level civil servants among its candidates at the time of the 1978 elections.
18. Between 1959 and 1974, 36 percent of the ministers began their political career in a ministerial cabinet; in 1979, 41 percent. The majority of ministers not having served in parliament, coming from government service and appointed during the first years of the Fifth Republic, ran subsequently for election. Starting in 1967, a new sequence took shape: the increasingly frequent presence of parliamentary ministers was observed who came from the civil service to the government: the route from then on was, after having completed a course at the ENA, to go to work in a ministerial cabinet, and then to be anointed by universal suffrage while waiting for a ministerial position. We would observe that this phenomenon is not brand new. The Third and Fourth Republics offer examples of similar career paths from among their political leadership. But the Fifth Republic is characterized by the wide extent of this type of recruitment. In the National Assembly during the Fourth Republic, the count was 4 deputies who participated in a ministerial cabinet during the first legislative term, 30 during the second, and 33 during the third; in 1958, 37 deputies had belonged to a ministerial cabinet, 6 of them just before the elections; in 1967, 62 deputies.
19. Elected deputies coming originally from upper-level government service made up 7 percent of the National Assembly in 1968 and 13.5 percent in 1978. Though their number is still relatively slight within the total of locally elected politicians, it has increased between the municipal elections of 1971 and 1977; above all, it is higher where the local position is more important.
20. Cf. Pierre Birnbaum, "Modernization of the Political System or Transformation of the Ruling Class," *POUVOIRS*, No 4, 1978, pp 51-59, pp 52-53.
21. Cf. the works of Pierre Gremion, in particular "Le pouvoir peripherique [Power on the Periphery]," Paris, Le Seuil, 1976, 477 pages; J.-Pierre Worms, "The Prefect and his Leading Citizens," *SOCIOLOGIE DU TRAVAIL*,

See J. 1977, 11 247-271; Jean-Claude Theonig, "The Relation between the National and Local Power System in France: A Systemic Analysis," *BULLETIN DE L'INSTITUT INTERNATIONAL D'ADMINISTRATION PUBLIQUE*, No 36, October-December 1973, pp 1037-1083.

22. In point of fact, the cases of formal prohibition are rare: in Europe only Belgium and Italy have non-concurrency regulations: the members of their national parliaments cannot belong at the same time to a regional assembly. Italian legislation makes the job of member of parliament incompatible with that of mayor of a city with more than 30,000 inhabitants as well. In Great Britain as in Germany, relinquishing an office currently held on acquiring a new elective responsibility rests on customary practice. Whether the basis is legal or customary, the principle of incompatibility seems to be imposed in the entire set of Western democracies, with the exception of France.
23. During the interwar years in the Chamber of Deputies, two-thirds of the elected members held at least one local office; under the Fourth Republic, the elected members holding at least one local office made up more than 60 percent of the total number of deputies from 1958 to 1972 and more than 70 percent since 1973.
24. Cf. Michel Reydellet, "Concurrent Office-holding," *REVUE DU DROIT PUBLIC ET DE LA SCIENCE POLITIQUE*, 3-1979, pp 693-697, pp 713-719.
25. Their proportion is particularly important in the CDS (68 percent of the candidates), in the PS (65 percent) and in the PC (63 percent); it is weaker in the PR (56 percent), in the RPR (55 percent) and especially within the radical parties (51 percent in the MRG and 47 percent among the Valois radicals). Cf. G. Fabre-Rossane and A. Guede, "Sociology of the Candidates in the March 1978 Legislative Elections," *REVUE FRANCAISE DE SCIENCE POLITIQUE*, No 9, Vol 28, October 1978, p 647.
26. Michel Reydellet, "Concurrent Office-holding," *op. cit.*, p 726. The members elected to local office made up 83 percent of the deputies in the PS, 82 percent in the PC; 77 percent in the RPR; and 75 percent in the UDF.
27. Within the centralized parties, the body of political decisions are made at the national level while in the decentralized parties the national party organs must come to terms with the local federations: cf. Francois-Georges Dreyfus, "Local Authorities of National Political Movements," in "Les facteurs locaux de la vie politique Local Factors in National Political Life," Paris, Pedone, 1972, 411 pages, pp 53-66.
28. Cf. R. Cayrol, J. L. Parodi, C. Yssel, "Le deputé français," *op. cit.* pp 114-120.
29. It is clearly a matter of which tendency is the dominant one. Reality is more subtly shaded, and it is known that the competition among the insiders on the right during the first ballot in 1978 mainly revolved around the prestige differential of its two candidates.

## BALANCE OF PAYMENTS STATISTICS REPORTED

Athens HELLENES EXPRESS in English 24 Jul 80 pp 7-8

[Text] The balance of payments problem is once again in the forefront. Latest figures show that:

--according to results for the first half-year, the imports bill up to 31 December 1980 will amount to \$11,700 million approximately. This will mark a 15.7 percent increase over 1979 whose increase over 1978 had been 37.8 percent. Cost of liquid fuels imports in 1980 will total \$3,050 million, on the assumption that exports of finished petroleum products will attain a value of about \$450 million. If this should prove correct, the 1980 increase in cost of imports, excluding petroleum, above the 1979 figure, will have been 10 percent, compared with 28 percent in 1979 over 1978. This shrinkage of imports will result from the anticipated fall in GNP and tighter credit policy which will have led to liquidation of stockpiles accumulated in the latter part of 1979. Also, the decline in the value of the drachma will have had its adverse effects on the capability of imports to compete with home-made or home-grown products.

--the value of 1980 exports is hoped to total not less than \$4,450 million (\$3,932 million in 1979) making a 13.2 percent increase compared with a 31.1 percent increase in 1979. (The figures include exports of finished petroleum products--mostly refuelling of foreign airlines and bunkering of ships). This means that exports will be caused more by their higher prices than by any noteworthy increase in their volume which is unlikely to be more than 5 percent larger than in 1979. These forecasts spell out a \$7,250 million trade deficit for 1980, compared with \$6,178 million in 1979 (+17.4%).

--invisible receipts in 1980 are estimated at \$6,320 million and invisible payments at \$1,650 million producing a net surplus of \$4,670 million against a \$4,296 million surplus in 1979 (+8.7%). A breakdown of the amount for invisible receipts gives an estimated 14 percent increase above the 1979 figure for earnings from the tourist trade which, in that year had earned 25.3 percent more than in 1978. Earnings from the merchant fleet are expected to exceed those of 1979 by 15.2 percent (in 1979 they had been 29.1 percent

better than 1978). Remittances from Greek emigrants are expected to remain at last year's levels. Invisible receipts from miscellaneous sources are expected to increase by 14.3 percent. Withdrawals from convertible drachma deposit accounts are thought likely to increase by 13.9 percent. All this boils down to a forecast that the 1980 current account deficit will be \$2,580 million, compared with \$1,882 million in 1979. Servicing of the foreign debt in 1980 will cost \$600 million (\$491 million in 1979). Net inflow of private capital is expected to fall short of the 1979 figure by about \$100 million, i.e. to \$1,300 million (\$1,402 million in 1979).

All this will leave a gap which will have to be covered by overseas borrowing. The likely allocation of such borrowing will be:

Bank of Greece	\$950 million
Direct Government borrowing	\$700 million
Public Corp/ns-Nationalized Enterprises	\$400 million
Private commercial credit	\$100 million

CSO: 4920



## NEW SHIPBUILDING, SHIP REPAIR BASE PROPOSED

Athens HELLENEWS EXPRESS in English 24 Jul 80 p 12

[Text] A workteam composed of representatives of the Ministries of Coordination, Industry and Energy, Mercantile Marine, Housing Area Planning and the Environment, and of the Hellenic Industrial Development Bank, the Piraeus Port Authority (OLP), and the Shipbuilders' Association, has rendered its report on a proposed major 1,500,000 M2 shipbuilding and ship-repair base in Sellinia Bay on the island of Salamis. The idea would be to transfer into it all such activity now being carried out in the cramped, narrow Perama shoreline on the mainland side of the Straits of Salamis, a little west of the main Port of Piraeus.

According to the plan, the new base would be able to carry out repairs to 200 vessels at once (tonnage unspecified) and a total of 3,800 per annum. Facilities would include quays 8,000 M long, 4 floating docks, 6 tugs, 1 floating crane, and 20 electric cranes along the quays. At present values, the cost of such a project would be Drs 11,000,000,000. The study has deemed necessary because existing goods traffic through Piraeus is growing beyond the maximum which existing facilities can service. Therefore, sooner or later, the port's installations will have to spill over into the Perama area and the shipyards there will have to move out. This is specifically the case where container traffic is concerned because it is felt to be far more practical and economic to design container quays, warehouses, etc. from scratch than to try to adapt existing ordinary cargo facilities to this specialized traffic.

CSO: 4920

## BRIEFS

**MERCHANT FLEET EXPANSION**--For an unbroken succession of years since the end of World War II, the size of the Greek merchant fleet has continued to expand through lean years and years of plenty in the Greek and/or world economy. On 31 May 1980 figures given by the Ministry of Mercantile Marine show ships of 100 register tons or above, 3,931 of 39,945,611 register tons (3,816 on 31 May 1979 of 36,451,992 register tons). Greek owned ships under foreign flags with crews insured at the Greek Mariners' Pension Fund 562 of 10,201,687 register tons. [Text] [Athens HELLENEWS EXPRESS in English 24 Jul 80 p 12]

CSO: 4920

## LEFTWING PARTIES HOLD CONGRESS ON POSSIBLE COOPERATION

Amsterdam DE WAARHEID in Dutch 21 Jul 80 p 3

[Article by Joop Morrien: "Cooperation of the Left Necessitates New Priorities"]

[Text] We already reported earlier that ACHTERGROND [BACKGROUND] in cooperation with the social and cultural center DE POPULIER [THE POPLAR] published a double issue containing the most important speeches of the congress on cooperation of the political leftwing held recently in Amsterdam.

Leaders, members, and sympathizers of the CPN [Communist Party of The Netherlands], PPR [Political Party of Radicals], PSP [Pacifist Socialist Party] and D'66 [Democrats '66] took part in the discussions; the high point was the debate of the chairmen of the first four of the above-mentioned parties and the deputy chairman of D'66.

This debate takes up the most space in the double issue. That is understandable because as Marijke Linthorst (DE POPULIER) and Dirk Vlasblom (ACHTERGROND) conclude in the introduction: "The congress and the debates are definitely of political importance: for the first time in Dutch history the chairmen of the progressive parties appeared prepared to sit down at one table and to discuss important subjects with an open mind.

"This event demonstrates at least that the leftwing is on the move. The congress proved at any rate, that there is sufficient common ground to continue the discussion."

#### Cooperation in Mind

The article in ACHTERGROND gives us an opportunity to slowly digest once again the points of view of the chairmen as well as of the other participants of the five parties; they dealt specifically with the social and economic situation, foreign policy and the perspective for future social developments. The debate in DE POPULIER was in the first place concerned

with cooperation; the texts clearly reveal this. Andre Roelofs (CPN) for instance, gave an affirmative reply to the question: "Is cooperation in matters of foreign policy possible?" and Johan van Minnen (PvdA) said that he is not at all reluctant to admit that "a leftist pattern of cooperation outside and inside our national borders should be consistently pursued."

Both Bos Theo (CPN) and Hans Kombrink (PvdA) assumed during the debate on the economy that the formation of power blocs serving concrete purposes should be attempted. As a matter of fact, existing differences of ideas in the five parties, sometimes with historical roots, were openly discussed. There were such differences of opinion about NATO membership, the pursuit of nuclear power, the solution to the unemployment problem and the defense of the standard of living.

From time to time some heated verbal exchanges developed, but by far most of the moderators behind the table and debaters in the hall were convinced that the present course of action of the Van Agt-Wiegel cabinet could no longer be tolerated.

#### What To Do and How?

Everybody agrees that something has to be done, but the question is: What and how? The CPN is convinced that the formation of a progressive majority requires a clear description of the most important desires and demands; the next step, as Henk Hoekstra explained, is to ascertain common ideas, how compromises can be reached and which subjects will remain bones of contention in spite of progressive majority building. The CPN is prepared to take part in a new program of priorities for cutbacks, but employment should be the first consideration. Hoekstra: "We are not prepared to assist with cutting back expenses if no priority is given to lower defense budgets, taxation of profits and of very high incomes. After that has been accomplished we shall see if more economies are still needed....Everything cannot be taken care of at once."

"However, we are convinced that there will be a whole new situation if we get a government with courage that can rally the forces of the Dutch people in an attempt to cut back defense expenses, that dares to do something about the billion guilder profits of large business concerns and the enormous exportation of capital."

#### Within the Parties

Of course, discussions within the parties are also taking place. We do not intend to emphasize the differences between certain groups, but we cannot deny that there are differences within the five parties.

Take a look at the rather sharp reaction of the Young Socialists against the PvdA election program and it will be clear that Den Uyl's recent statements are certain to raise resistance within the PvdA.



With his arguments for profitability and profits, for a "choice between work and take-home pay, wages for work and benefits for nonworkers" (NRC-HANDELSBLAD) he actually gives us the same priorities as those of the present cabinet. He even receives compliments from persons who do their utmost to let the people acquiesce in deteriorating circumstances. It has all the appearances of giving in to the CDA and leaving things the way they are.

#### Congress

However, the Young Socialists show us where the real solution to leftwing cooperation can be found.

The CPN, on the other hand, has made its priorities clear, not just during the discussion in DE POPULIER, but, in particular during its own congress which took place a week later and also attracted much interest.

The CPN's priorities are peace policies, development of initiatives toward detente and disarmament. As regards the economy, it introduces concrete proposals to combat unemployment and defend the standard of living.

Its activities are not geared to "capitalist management" of the crisis, but to an alternative solution through progressive majority formation.

After the intensive discussions of the CPN congress, Henk Hoekstra said in his closing statement: "It is important to reject the existing reality; we know that it does not give us any solution. We are eager to create a new reality. We discussed this during our congress. We know that we have the forces to do this.

"The important thing is now to bring them together, and to inspire them to take a new direction in Dutch politics."

ACHTERGROND's publication of the speeches of the congress in DE POPULIER is important because it is a contribution to further discussions and it proves the desirability of these discussions. The slogan of the congress in DE POPULIER was: Leftwing cooperation--Full steam ahead, or let us forget about it?

We have every reason to come to the conclusion: Full steam ahead and do not forget it.

The recent past has shown us that growing numbers of people are becoming convinced of the need for a leftwing perspective which will become a stimulating influence toward the formation of a progressive majority.

This can apparently be accomplished in spite of existing differences in concept and approach.

10319

CSO: 3105

## CDA STRUGGLES WITH COALITION PROBLEMS

Amsterdam ELSEVIERS MAGAZINE in Dutch 2 Aug 80 pp 20-22

[Report on interview with Prof Piet Steenkamp by Frank Lafort: "Through 13 Years the Profits of Doom Kept Us Company"]

[Text] The CDA, which runs into a lot of problems on the road to fusion, is still seeking a proper political concept. Even Professor Steenkamp must admit that he is tormented by the fight of brother against brother and definitely shocked by the aversion he tasted for politics based on Christian religious concepts. However, he remains undeterred, even by a separatist movement which hopes to gain seven seats in the Chamber through elections; it would split the CDA wide open.

An amazed look back into the past. That is what the CDE chairman, Prof Pieter Steenkamp, will experience on 11 October when the ARP (Antirevolutionary Party), CHU (Christian Historical Union), and KVP (Catholic People's Party) unite to make the ideal of the Christian Democratic Appeal come true. The slow and difficult process of uniting the parties has kept Steenkamp busy for 13 years, but he resigns after 11 October. He will have then completed his work, and he will have guided the CDA caravan, not without perils and hardships, to its first resting place.

Only recently one of the most important CDA ideologists, Professor Goudzwaard, left the caravan, dissatisfied with the route. More persons followed Goudzwaard's example, or are about to do so. Christian party politics has always been controversial in The Netherlands, as evidenced by many separatist movements in the original three parties and fierce attacks on all fronts on the right of existence of parties based on Christian principles; these attacks follow the slogan of the historian J. Huizinga, who states that Christianity and political power are sharply opposed to each other: a contradiction in terms.

Steenkamp says: "It sounds very negative, but what really shocked me in the past 13 years is the aversion to a growing CDA. For instance, when I detect

the viciousness in the various media, I say: it is really a wonder that the CDA became reality. Against more than one form of resistance. In the face of a deep aversion to Christianity which many find out of step with this world. Sometimes people seem to say: the Church is no longer so important to me. Therefore we should never have a CDA. We must destroy it. I feel very bad about this."

Steenkamp complains that political opponents seem to have developed their own antithesis to the CDA. Originally the Christian parties stressed the differences between Christianity and paganism, but in 1980 the political opponents are intentionally raising this barrier and ignoring the "sign of peace and reconciliation" (expression of Steenkamp).

However, confusion about the CDA's role and ideology is understandable. On the one hand, the CDA wants to be a missionary party of principles, on the other hand, it wants to stay in the government as long as possible. Two things apparently difficult to reconcile.

Steenkamp: "The CDA must, of course, stress its missionary role in its political ideology. For example, in dealing with subjects, as participation in the decision-making process, human rights, and guest workers. However, I deny that the CDA wants to be in the government under any circumstances. On the contrary. Various prominent CDA leaders have repeatedly said that they would not mind being part of the opposition. The only impediment here is that two large constructive parties, the VVD [Party for Freedom and Democracy] and PvdA [Labor Party] exclude one another. Nobody can blame us for always being part of the government. Liberals and socialists themselves are the culprits. They should get together to do away with mutual blockades. That is my advice."

However, Steenkamp is personally in favor of Christian Democrats holding on to government responsibility as long as possible. He is motivated by his own ideals and his conviction that the CDA can do something for society. The CDA chairman is not behind "masochists" in his own party who want to take it easy on the benches of the opposition. Steenkamp: "Let us be honest; one's own ideals cannot be realized under such circumstances." He even quotes the much admired Thomas Aquinas, who called public service the highest attainable form of living. Because the CDA embodies that political ideal, he is sometimes accused of "power politics." Steenkamp calls it an absurd concept, "but it is not something dirty. One is not in politics just to preach."

The difficulty is that there is no consensus of opinion in the CDA on the question of how the source of inspiration should be realized in terms of practical politics. Proof of this is the debates on nuclear armament and the oil boycott of South Africa. Another sign on the wall is the letter of a prominent CDA group to the summit of the Antirevolutionary Party; the authors believe that "a schism in the CDA is unavoidable. It will happen if a coalition with the VVD is again preferred, but also if there should be a coalition with the PvdA. The schism will take place after next year's elections. A number of persons will leave the party under all circumstances. The schism will also affect the CDA faction in the Second Chamber." The dissidents will

then have been reelected according to the authors. This could mean that the dissident movement would immediately have 7 seats in Parliament. Last week AR chairman H. De Boer also stated in an interview that the creation of a new party is not unthinkable.

This prediction does not get Steenkamp excited: "I realize full well that such a split can occur. I am not blind. There is already the Evangelical People's Party. It is a pity that Goudzwaard has left. However, these dire predictions have been with us for the last 13 years. It is simply unavoidable that individuals take off to the left and to the right. We do not elect people. They elect us. However, we should prevent entire groups from departing. It remains therefore necessary that there be room in the CDA for people with various convictions. The late ex-minister Beernink threatened to leave the CDA for matters of principle. I talked for hours with him and succeeded in talking him out of taking this step. But I do not want to lose people to the left either."

There is daily evidence that the three different political cultures now being integrated in the CDA are not yet accustomed to each other. Within the CDA people are really lecturing each other openly. Political opponents get a kick out of this but Professor Steenkamp is driven to despair. "Yes, it really saddens me. But one learns to live with it. There are certain things one has to resign oneself to."

Question: Please give examples?

Answer: "The grand-scale attack on Van Agt, Lubbers, and Steenkamp, all three of them originally from the KVP; fiercely criticized because of their very origin. I am now creating a vacancy by leaving on 11 October. It often makes me sad when a capable man or woman is passed up because he or she does not fit into the required pattern. I resign myself to it, but under duress. It should also not be forgotten that for almost 450 years the Christian denominations did not have any contacts. That is very noticeable. Many a Protestant is very annoyed by our applause at CDA congresses. Catholics on the other hand, love to applaud. It is our way of fighting frustrations and disappointments caused by constant attacks on the CDA. The Christian Democratic Appeal can only continue to exist on the basis of tolerance."

The CDA concept program of principles received either a lot or little applause at the end of 1979. According to its critics it lacks constant interaction between general principles and their political application. In his article AR Statesmanship A.M. Donner states, for instance, that there has not even been an attempt in the CDA to arrive at a political philosophy, let alone a philosophy of humanity. Professor Couwenberg points out that the concept program of principles shows a "clear preference for fashionable slogans of temporary value." Professor Steenkamp says that the CDA will try to meet this criticism. A political philosophy about the state could not be added to the program of principles, simply because it has to be ready on 11 October. According to Steenkamp a study of the political philosophy of the state will be prepared after the fusion, to permit discussions about this important subject within the CDA.



This brings us to another point of criticism, namely that form and contents of the CDA have hardly been discussed in the new party. Steenkamp: "That is subject to personal expectations. If I were asked to take a good look at the discussions about the political policy, the foundation, and the organization of the CDA, I would say that the discussions about the political policy came last. The foundation, for instance, was the subject of our first CDA congress in 1975. What a terrible day that was."

Question: Why?

Answer: "It was the lowest point of my chairmanship. The notorious August congress. The first time we came together as CDA; how could such a confusion of tongues arise about this very foundation, so dear to us all? That was unbelievable. If there are persons who want to give it more time, I will be all in favor of granting it. However, those who are now criticizing it are the same persons who insisted that the organization of the CDA be thoroughly prepared. Moreover, the discussion of the foundation is continuing on a permanent basis. We are, however, founding a political party, not a church."

Question: There are rumors that the CDA is struggling with an identity crisis.

Answer: "Our entire society is doing that, including the CDA and other political parties. The fate of society in the eighties--nationally and internationally--is unknown to us. English Prime Minister Margaret Thatcher characterized the coming decade as exceedingly dangerous. With a number of dangerous developments coming up it is therefore very understandable that a new party like the CDA is still unable to say exactly where it stands. With study and wisdom we should come up with answers to the problems of the confrontation between North and South, the present solutions for deteriorating East-West relations, but also for things that clog up our democratic system of communication. More and more people are trying to push through their particular demands by circumventing the established channels."

However, the question is whether the CDA as heir to the three old parties has not itself contributed to this development. The concept election program reveals very neatly what is wrong with our economy. The election slogan "The economy of adequacy" is self-evident. Still missing are concrete steps to cure the ailing national economy, while the Van Agt Cabinet is also not distinguishing itself through united and vigorous action. Everybody agrees about what is wrong with our economy but several cabinets wasted valuable time seeking political implementation. In actual practice this led to postponement of difficult and controversial problems. Steenkamp: "The CDA cannot be held responsible all by itself. All major political parties, PvdA, VVD, and D'66 [Democrats 1966] as ex-coalition partners, must accept partial responsibility. There has to be understanding of the seriousness of the situation and the means to cure the disease. A consensus of opinion about what should be done, is only now gradually developing. It concerns a complex package of measures. Indeed, we have a long way to go."

Question: By long hesitation we might fail to seize the right moment for economic recovery.

Answer: "That disadvantage is inherent in democracy. We must pay the price of the democratic decision-making process. The question is: what direction shall we take? Shall we, as cabinet, put through a crisis package or shall we involve as many people as possible in the government's thinking process? It is my opinion that we should develop a policy acceptable to the groups worst hit by the government's measures. That is enormously difficult and admittedly time consuming."

According to Steenkamp the four large parties are narrowing the gap as regards fundamental solutions to economic problems. He says there is agreement on a progressive economic order with specific responsibilities for governmental and social organizations. "This can be called center conception of the social order." The concept of a party in the center is considerably more vexing for Steenkamp. "It means a position between VVD and PvdA. We do not go for that. Just think of abortion, family policies, and developing nations. On some subjects our ideas are diametrically opposed to those of the other two parties."

10319

CSO: 3105

## INDUSTRIAL DEMOCRACY TO FIGURE PROMINENTLY IN NEW LO PROGRAM

Oslo ARBEIDERBLADET in Norwegian 18 Aug 80 p 4

[Editorial]

[Text] The Norwegian Federation of Trade Unions has recently presented a concept for a new action program. When the basic organizations discuss the content of the program, it will be with the motto "It Concerns the eighties, the Decade of Possibilities."

The slogan itself embodies an optimism for which there is cause, even if it is seldom as clearly expressed as in this situation. It is much more usual to be pessimistic in connection with future prospects. The factual situation is, however, that no generation of Norwegians has better prospects for solving the future's problems than perhaps the generations which will develop the programs, goals and means for the development of Norwegian society in the new decade.

The Federation of Trade Unions' program will be adopted at the congress in the beginning of May next year. The whole program is up for revision and hence also debate. Previously, the question of democracy has been treated as a thing by itself.

The development of corporate democracy has already been discussed in the basic organization, and a proposal from the corporate democratization committee of the Skytoen committee will shortly be presented. It is obvious that it is a subject which will at the fore at the congress and an important part of the action program. There is within the trade union movement a basic desire to expand the right of co-decision and responsibility at the work places.

In the discussion proposal which is now being disseminated, there are five main areas, which are marked out for debate. This is obviously not a casual selection but are key and important areas for the trade union movement.

While industrial policy has previously been taken up in different parts of the Federation of Trade Unions' action program, it will be taken up in the action program for 1981-1985 as theme in its own right. When the trade union movement wishes to present an inclusive industrial policy program, it

must be seen against the background of the obvious need for growth in industrial employment. We would recall here that an important element of Norwegian oil policy should be to use the gains which oil creates to bolster the rest of the economy, first and foremost industry. As a result we shall be better prepared for the day when the oil resources come to an end.

When environment and health is also pointed out as a main area for debate in the basic organizations, it is blamed on the need for a continuation of the old debate on the working environment. It has become more clear recently that there is to a great extent a connection between the general health standard and the work environment.

The trade union movement has been engaged for a long time in international solidarity work. When help to the developing countries and a new world economic order are pointed out as a main theme in the new action program, this means increased participation in certain aspects. In this the trade union movement is following one of its best traditions.

When the trade union movement also wishes to concentrate on the significance of technology for work and employment, it is not to ride an anti-technology wave. The trade union movement desires to discuss the happiness which can derive from a new technology and at the same time contribute to reducing the harmful by-products which can accompany it.

The last topic which is proposed for debate is called the Federation of Trade Unions in society. This involves the central roll which a large peoples organization such as the Federation of Trade Unions should and shall have in the total development of Norwegian society. With more than 700,000 organized wage-earners, the Federation of Trade Unions is our largest "pressure group". Experience shows that it is difficult to solve at the negotiating table matters other than those involving pure wage and working conditions. When the trade union movement wants to solve other matters, it must use political means. A trade union balance sheet for the period just ending will be presented to the congress in May. It will probably show that only between 20 and 40 percent of the matters solved in the period were resolved at the conference table. That shows the enormous importance which the trade-union political cooperation between the National Federation of Trade Unions and the Labor Party has for the country's wage earners. We have no doubt but that this experience assures a strengthening rather than weakening of cooperation.



## PLANNING MINISTER KLEPPE: EXPORT OIL CAPITAL ABROAD

Oslo ARBEIDERBLADET in Norwegian 18 Aug 80 p 6

[Article by Per-Arne Bjerke]

[Text] "Oil puts us in a favorable position, but the situation in the rest of the world creates uncertainty.

"Norwegian firms should invest abroad. Not to suck money out of other countries but in order to strengthen our own economy.

"The Labor Party's National Congress has adopted a resolution that we should eliminate the social differences which the unlimited right to deduct dividends implies. We are duty-bound to implement this resolution.

"A change over from direct to indirect taxes would be correct now.

"It is good to be outside the daily struggle."

Per Kleppe, who says this sits on the top story of the old government building on Akeragata and plans how Norway will be governed in the future. He has had for 7 months the position of the country's first minister of long-range program. It will not be ready until the spring and will lay out the guidelines for the eighties.

"The program is obviously influenced by the Labor Party's view. But I am counting on that much of it can also be used by other parties. The investigative work we are conducting will constitute a good basis for political debate in the coming years.

"Norway is in a favorable position because of the oil," long-range planner Kleppe replies when we ask him to make a guess about the future.

"We have in Norway formulated a policy which means full employment and a high level of investment. But economic developments are also dependent upon what happens in other countries. On the basis of the situation in the rest of the world, prospects for the future are consequently marked by a degree of uncertainty."

"Would it have been possible to keep unemployment out of the country if we had not had the oil?"

"That is a hypothetical question. But we would have been able to manage to maintain employment if we had reduced income development. It is, however, quite apparent that the oil appeared at an appropriate time when large segments of other economic activity began to have difficulties."

"How should we use our oil money?"

"First, I want to emphasize that we should not exaggerate our oil income. To be sure, the curve is now in a favorable position. But we must recognize that prices at times will stabilize. We should have realistic evaluations when we guess in regard to oil income in the future."

"How we shall use the money? It is a question of investing in such a way so as to make secure our position in the coming years. We should make society stronger, but we should not act in such a way that there is an extra increase in private consumption."

"Norway can become an exporter of capital. Shall we begin to buy up foreign firms?"

"First the foreign debt should be reduced. In addition, we have the aid to developing countries which places heavy demands on us. But I shall also recommend that Norway uses a part of the oil money to buy into foreign firms. Not to suck money out of other countries. But to strengthen our own economy and thereby assure employment here at home."

Different

"You had the chief responsibility for economic policy during the seventies. Would you have done different, now that you know how things developed?"

"We could have handled some details in a different way. Calculations on how things will be in the future is always uncertain. If we had known what we know today, it is clear that portions of the policies could have been formulated differently. But on the whole I believe we acted correctly."

"You don't think we were living rather high off future oil income?"

"Here we have talk about degrees and not about principles. Compared with other countries, our private consumption in the seventies was low, while the investment level was high. I think we pursued a level-headed policy."

"Do you agree with Odvar Nordli that it is now the time for some tax reductions?"

"Yes, certain changes could be made in taxes in light of the principles which the parliament approved as a matter of fact before the summer."

## Prices

"Are you worried over price developments?"

"I believe that the goal of prices not rising more than 10 percent from 1979 to 1980 will hold. But the inflation in the Western world confronts us with basic problems which we must master. We must cope with it in one way or the other. But we are not willing like some other countries to use unemployment as a means to solve the economic problems."

"You were one of the most criticized cabinet ministers in the seventies. Is it a relief to get out of the limelight?"

"Naturally, it is an advantage to be outside the daily struggle."

## Unjust

"Did you consider it unjust that the people's anger over taxes was directed at you, while it was actually a whole party which stood behind the policies you carried out?"

"In the last 10 years politics have been personalized. Since the press and radio now cast the spotlight on individual persons, it is not so strange that a finance minister is blamed for taxes. But I did not regard the attacks as directed towards me personally."

"Do you continue to stand by what you said previously in regard to a ceiling on dividends?"

"That which remains firm is that the Labor Party's National Congress in 1979 adopted a statement that the social differences which the unlimited right to deduct dividends implies should be eliminated. This involves an obligation. What technical means are chosen to do it is secondary."

"What do you fear the most if it is the bourgeoisie and not the Labor Party which governs Norway in the eighties."

"I am afraid that we will get a government which cannot act. A coalition is always weaker than a one-party government. With all the problems with which the eighties are confronting us, a bourgeois government is a big risk, since it will be a government incapable of acting."

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CSO: 3108

## FRIGATES BEING MODERNIZED, REPAIRED

Oslo AFTENPOSTEN in Norwegian 21 Aug 80 p 30

[Article by Knut Falchenberg]

[Text] The Royal Norwegian Navy frigate "Trondheim" on Wednesday made a trial run from the Horten Shipyard after being in the yard's dock for 10 months for a total overhaul and modernization. This is the third of the navy's five aging frigates which has received in this round a face-lifting.

"The ship's entire insides was opened, inspected and repaired," Commander Christian Warloe, chief of staff at the Naval Supply Command, informs AFTENPOSTEN. He says the work which was done under a fixed contract price amounts to practically 8 million kroner. A supplement provides for the cost of the work which showed itself to be necessary while the overhaul was underway.

One of the improvements which the officers and guests on board will note is that more fresh water is available. A new so-called evaporator has been installed so that a total of 55 tons of salt water can be converted into fresh water daily.

Steinar Svendsen, the technical director of Norten's Shipyard, states that the machinery onboard has been modernized in substantial ways. The ship is driven by steam turbines, and the boilers and pipes were rather worn.

According to what AFTENPOSTEN has learned, the electrical equipment was corroded; the same was true of the interior.

After the trial run on the fjord by Horten, the Royal Norwegian Navy ship "Trondheim" will sail to the Haakon base in Bergen to take on board weapons and ammunition. Then it will be put into active service, while the next frigate will be made ready for overhauling.

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CSO: 3108



## TERRORISTS' ATTORNEY BERNARD RAMBERT ARRESTED

## Facts Leading to Arrest

Zurich NEUE ZUERCHER ZEITUNG in German 29 Aug 80 p 7

[Report by "ma": "Attorney for Walter Stuermer Arrested--Caches of Arms and Burglar's Tools Found"]

[Text] On Wednesday [27 August] the 34-year-old lawyer Bernard Rambert and his secretary Andreas Kistler were arrested in Zurich. The arrests were made in response to a legal aid request by the Vevey-Lavaux Office of the Examining Magistrate in connection with an investigation of Walter Stuermer, who has become known as the "king of jail breakers" and who last made headline news in June 1979 with his escape from the Regensdorf Penitentiary, from which he had been freed by third parties. As was announced as early as Wednesday afternoon at a press conference by the responsible examining magistrate in Lausanne, police searches primarily at Rambert's place of residence at Rudolfstetten in Aargau, under the house of a relative of the lawyer's in Nyon (the woman was arrested as well) and at a vacation home in the Canton of Valais brought some documents to light. Among other things, mention was made of stolen or forged passports and of burglar's tools, the latter having allegedly been used by Rambert's client Stuermer. According to Vaud Chief of Police Rene Huber, Bernard Rambert has denied all charges against him.

## Burglar's Tools, Arms and Forged Identity Documents

The record of Walter Stuermer's criminal offenses is very substantial. It begins with his being sentenced to 8.5 years in the penitentiary by the Zurich Cantonal Court in 1972 for having robbed the savings bank at Hinwil in the Canton of Zurich. Escapes, new crimes, arrests and again escapes followed in quick succession. He has been the subject of the television program "File XY--Unsolved." He was freed from Regensdorf Penitentiary by third persons. Altogether Stuermer has been sentenced five times. Further proceedings against him are pending. In November last year, he was arrested in Valais.

When he was arrested, the 38-year-old Stuermer was carrying a loaded gun, a sizable sum of cash and forged documents. A Mercedes stolen in Sitten and

apparently used by Stuern and his (likewise arrested) accomplice in various crimes was confiscated in Valais some days later. In the investigation which followed, it was shown that the two had committed numerous burglaries, each yielding a large amount of loot--among other things, thousands of driver's licenses and documents. Since at first the loot could not be found, the authorities came to suspect that it was not impossible that Walter Stuern's attorney, Bernard Rambert, was involved in the disappearance of the material. The examining magistrate therefore ordered a simultaneous search of the attorney's residence, of his office in Zurich and of the house of a relative in Nyon and a vacation cottage in Valais.

#### Five Suitcases and Four Bags...

As was announced on Wednesday, the concerted action in the various cantons was successful. In a hollow area under the house in Nyon, five suitcases and four bags were found with burglar's tools of all kinds, four handguns plus ammunition and a large number of stolen identity documents and official rubber stamps. At the lawyer's residence at Rudolfstetten in Aargau, a box was found containing report blanks of the Zurich City Police.

The possible charges against Bernard Rambert were not yet named on Wednesday. Nor did Rambert's partner, the lawyer Jean-Pierre Garbade, who is acting as his colleague's authorized counsel for the defense, have any formal statement to make. He did, however, express reservations about what he called a novel kind of criminal investigation which allows the press to "examine the file" before the counsel for the defense has a chance to do so.

#### The Attorney and His Client

Attorney Bernard Rambert has become known as a member of the Zurich Lawyers Collective (of which he ceased to be a member some time ago, however) and, above all, as defense attorney for Petra Krause, charged with terrorism, and as a member of the defense in the trial against the German terrorists Gabriele Kroeher-Tiedemann and Christian Moeller. As Walter Stuern's defense attorney he again moved into the public limelight as his client became increasingly better known. Notably Rambert advocated better prison conditions in the case of Walter Stuern. In this his efforts were supported in Zurich by a number of partly prominent personalities, who only a few days ago in a half-page advertisement in the TAGES-ANZEIGER demanded "immediate suspension of Walter Stuern's arrest." In an earlier advertisement, a group of signatories had addressed a statement to the public in which they said: "We actively supported, or approved, Walter Stuern's escape (from Regensdorf--Ed)." An investigation into this matter is pending.

Protest by Lawyers Collective

Zurich NEUE ZUERCHER ZEITUNG in German 29 Aug 80 p 7

[Statement by Zurich Lawyers Collective concerning the arrest of attorney B. Rambert]

[Text] The press hullabaloo staged by the police in connection with the arrest of attorney B.R., and particularly the full mention of names, is in gross violation of the principle that everyone is to be considered innocent until he has been legally sentenced by a judge, and amounts to an irreparable prejudgment of the person involved.

This arouses the suspicion that the intention is thus to silence attorney B.R. in connection with his enlightenment work directed against the destructive prison conditions of Walter Stuermer. We protest this categorically.

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